

# NATION'S BUSINESS

JUNE • 1942



**"Drop in some morning  
about 10:30, McGinnis,  
and I'll show you a traffic jam!"**



"Sure, Mac, I know—you run up against parades, football crowds—and a World Series now and then. But we're handling traffic jams every day.

"This war is taking some of the traffic off your beat and putting it on mine—taking it off the streets and putting it on the telephone lines.

"And we're getting short of materials. The stuff that used to make switchboards and cables now goes to the shooting part of the war.

"But we've found the public good-natured and helpful just as you have. The trouble began with Hitler and will end when we finish with him."



**LONG DISTANCE helps unite the nation**





## General Mud Surrenders!

*A typical example of B. F. Goodrich leadership in truck tires*

THIS is a war of movement—and your Uncle Sam is going to show them movement aplenty before it's over!

It's a cinch to keep wheeled equipment rolling on paved roads. But the problem is how to keep your equipment rolling where there are no roads—through mud and gumbo, across rivers and ravines, over swamps and deserts.

America's oldest tire manufacturer tackled this problem—answered it with specially designed tires for combat service. Talk about traction! There are B. F. Goodrich tires in the service today on vehicles that can hardly be stopped by anything short of a brick wall.

B. F. Goodrich has gone "all out" for victory. But we're taking care of essential civilian requirements, too—with tires designed to give the greatest possible mileage for every pound of rubber used.

If you are permitted to buy truck

tires today, you can help conserve rubber for America's war needs and save yourself money by choosing B. F. Goodrich Speedliner Silvertowns. These heavy duty tires have a built-in Load-Shield Construction that gives amazing new protection against road and load shocks. In the tread, every ounce of rubber is scientifically distributed to deliver the greatest wear. And tread and body are fortified with Duramin, the famous B. F. Goodrich chemical discovery that keeps rubber young and tough, stretches tire life.

Take good care of your present tires for the ration boards may refuse certificates to those neglecting or abusing tires.

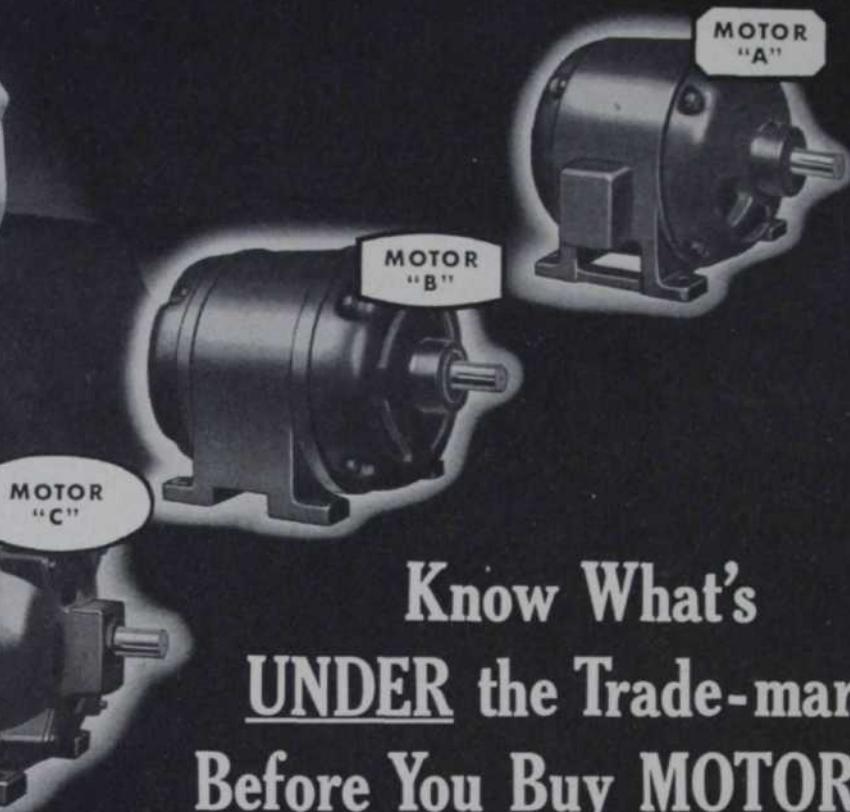
When you do get your next tire certificate... see the B. F. Goodrich man

first, for B. F. Goodrich is First in Rubber.

### Free Book for Truck Owners

Write for 100-page "Operators Handbook". Contains tire data, complete load and inflation tables, load analysis information, causes of tire failures and how to prevent them, practical rules for longer truck tire life, and much other helpful information. It's "must" reading for every truck owner. Address Dept. No. T-63, The B. F. Goodrich Co., Akron, Ohio.





**Know What's  
UNDER the Trade-mark  
Before You Buy MOTORS!**



*Copperspun*

**FAIRBANKS-MORSE**



**MOTORS**

DIESEL ENGINES ELECTRICAL MACHINERY MAGNETOS RAILROAD EQUIPMENT WASHERS-IRONERS STOKERS  
PUMPS MOTORS FAIRBANKS SCALES WATER SYSTEMS FARM EQUIPMENT AIR CONDITIONERS

PROUD as we are of the Fairbanks-Morse trade-mark, we urge that before buying you look beyond the trade-mark—*look at the motor*. For we know, and you know, that it's the motor and not the trade-mark that runs machines.

And because we believe you know motor quality when you see it, we ask you to look at the construction of an F-M Motor point by point. Compare the exclusive F-M Copperspun Rotor, for instance, with the rotor in any other squirrel cage motor. You'll say, we're sure, that you want windings centrifugally cast of COPPER, rather than of some less suitable metal.

Would you like to look further into the construction advantages that give F-M Motors their proved stamina? A post card or telephone call will bring you a demonstration. Fairbanks, Morse & Co., Dept. F56, 600 S. Michigan Ave., Chicago. Branches and service stations throughout the United States and Canada.



# We've stolen a year's march on the Axis

Right NOW we're building airplane engines at the rate  
we were expected to hit in late Spring 1943

*Listen to this, enemies of America:*

You probably know our first assignment in Uncle Sam's war program — building engines for Army aircraft.

Maybe you even knew what our production schedule was supposed to be — though we won't repeat it, on the chance you haven't heard.

But we will let you in on this, just by way of giving you something to chew on:

In the first three months of '42, we turned out as many plane power plants as were asked of us *by the end of June*.

By the fourth month of the year — April — it was already 1943 by our rate-of-production calendar; engines came rolling off the line at the pace projected for *a whole twelve months ahead!*

And if you add April's engines to those built previously, they total more than were expected of us *by the end of this coming September*.

We can tell you something else — these engines are *good*. They're built to be *unbeatably good*; there are as many man hours of work

in one of their crankshafts as in a whole Buick car.

The *very first one* passed Uncle Sam's tough requirements with colors flying, and one of the first dozen (which is something of a record) faultlessly passed the type test in record-breaking time.

They're passing flight tests, too, very handsomely — doing their job in a way to match the gallantry of the boys who fly them.

And all the while we have been stepping up the number of men at work. One of our plants *tripled* the number of men on the job in the first quarter of the year, while another almost *quadrupled* its pay roll.

So we're doing pretty well with our time, short as it is. Yet we're far from satisfied.

We've squeezed six months into three, will squeeze a year into six, and we're going on from there — which looks like we've stolen a year's march on your calendar, doesn't it?

All of which we thought you ought to know in case you're revising your timetable.

*Buick — a division of General Motors.*

*war goods*  
WHEN BETTER AUTOMOBILES ARE BUILT  
BUICK WILL BUILD THEM



THROUGH A NEW TECHNIQUE, you can install INSULUX in openings like this, up to an area of 50 square feet, without metal. Translucent but not transparent, INSULUX panels preserve privacy. However, transparent block is available where limited vision is desired. Glass block reduce maintenance cost since they need only occasional cleaning—no painting.

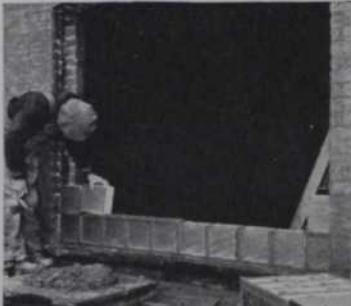


BUILDING INTERIORS are daylighted by INSULUX Glass Block. INSULUX transmits light generously, diffuses it, and directs it deep into plant interiors. Note here how light is brought to the stockroom shelves. INSULUX has high insulating value that saves power used for air conditioning, and fuel used in heating.

### HOW TO INSTALL INSULUX IN OLD BUILDINGS



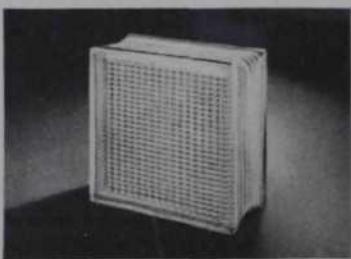
1. Cut chase in brick work at the jambs to receive block.



2. Put INSULUX Glass Block in place—any competent mason knows how.



3. Finished panel requires no metal, insures generous daylight.



4. The new INSULUX Light-Directional Block, one of many types available.

## INSULUX GLASS BLOCK SERVES THE CONSTRUCTION EMERGENCY UNDER ORDER L-41

### You Can Use INSULUX Now for Light-Transmitting Areas

#### *In War Production Plants And To Maintain Your Present Plant*

Conservation of materials needed for war is the building order of the day. But within the limits of Construction Conservation Order L-41, there are specific places where you can use INSULUX Glass Block to daylight your plant:

In new plants having priority for building materials because of war contracts.

For maintenance and repair of factories, stores, warehouses and other structures.

For remodeling, under \$5,000 in cost, of industrial properties.

Research, started before Pearl Harbor to find new ways of erecting INSULUX, has solved a multitude of today's industrial building problems. Under a new technique, it can be installed in panels up to 50 square feet without metal. In larger areas with little metal. Thus, using glass and mortar alone, you can maintain your plant with fireproof, light-transmitting areas of INSULUX.

Because it is made of native materials, and its industrial uses have constantly grown, INSULUX has not advanced in price. And INSULUX economy continues after installation. If you have problems of high heating or air-conditioning costs, of condensation or temperature, of dust infiltration, or high maintenance, investigate INSULUX today.

#### SEND FOR OUR NEW INSULUX BOOK



"Alternate Construction Details—To Save Metal and Aid War Construction"—is just off the press. It tells you how to install glass block in new and old buildings without using critical materials. Send for it today or telephone your INSULUX distributor listed in the yellow section of your phone book. Owens-Illinois Glass Company, Dept. 51, Insulux Products Division, Toledo, Ohio.

OWENS-ILLINOIS  
**INSULUX**  
Glass Block

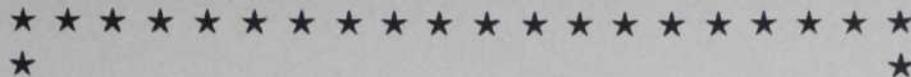
**NATION'S  
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 Chamber of Commerce of  
the United States

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## No time for stewing...

Time was when ammonia, basic ingredient of modern explosives, was made by stewing up the hoofs and horns of oxen ("Spirits of Hartshorn," they called it). Nowadays it's made from coal, water, air . . . and refrigeration. And in the majority of the vast new wartime synthetic ammonia plants, it's York refriger-

eration. As synthetic processes take over the older, slower, less efficient methods of production for war, more and more of them look to York for one of their major tools in dealing with atoms, molecules . . . and minutes . . . specialized refrigeration.

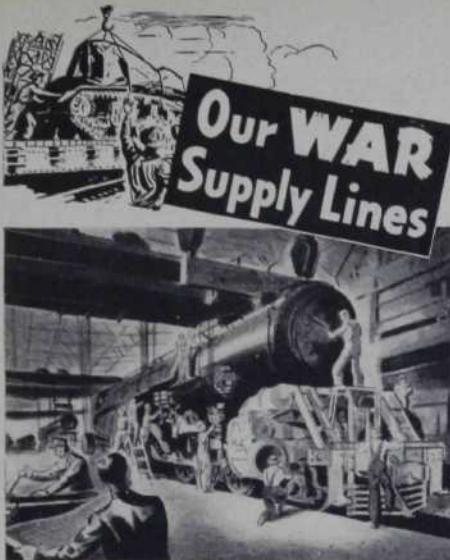
York Ice Machinery Corporation,  
York, Pennsylvania.

\*\*\*\*\*  
"KEEP'EM FLYING!"  
\*\*\*\*\*



# YORK REFRIGERATION AND AIR CONDITIONING

HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885



.. start **HERE!**

A lack of adequate mass railway transportation in this country during the critical months that lie ahead, would be disastrous to our war effort. Only the railroads provide the mass transportation for moving the vast quantities of materials of war from mines, forests and farms — to mills and factories — to assembly plants and warehouses — to camps and ports.

Transportation experts, in and out of government, have publicly declared, that the American railroads are doing the biggest, most efficient transportation job in history. They are doing the job today because they have spent huge sums for new equipment and improvements of every kind. From September, 1939 — at the outbreak of war in Europe — to December 31, 1941, the Norfolk and Western has authorized or expended more than \$60,000,000 for new cars and locomotives, expansion and betterments.

America is hitting its stride in the greatest program of mass production of war materials ever known. The railroads must provide more and more mass transportation. This means that the railroads must have more and more cars and locomotives, materials and supplies. Victory must and will be won.



**Norfolk  
and Western  
Railway**

PRECISION TRANSPORTATION

COPR. 1942 N. & W. RY.

# THROUGH THE Editor's Specs

## This is war

WE WISH we had a time capsule handy to preserve this story of Miss Joanna Langhout's toothpaste. It will be the perfect guide for the future historian in capturing the spirit of these times.

Miss Langhout was on her way here to become secretary at the Netherlands Legation when her ship was torpedoed. All her possessions went to the bottom; in fact, all she saved was her life.

Arriving in Washington at last, one of her first acts was to go shopping for a new tube of toothpaste. But she had no old tube to turn in, and so—no sale.

An official document from the Netherlands Legation, certifying to her Axis-bereft tubelessness, was required to save the day—and save her "dental smile of health," as a radio commercial exhorts.

Miss Langhout no doubt will understand that the free America of her textbooks is merely undergoing a temporary blackout—at least, we hope it is planned to be temporary.

## The American way

MISS Joanna naturally had no way of knowing of the resourcefulness of the American individual. She will learn.

For example, a Washington friend of ours made an overnight trip to New York and discovered on arrival there that he had forgotten to pack his tube of toothpaste.

As in the case of Miss Langhout, he was reminded by a drug store clerk of the new rules about turning in old tubes.

Our friend, bred in our hard school of individual initiative, without recourse to official red tape, slipped over to the next counter and bought a tube of cold cream, for which no turn-in was required, squeezed out the contents on a lunch counter table napkin, and triumphantly turned in the empty cold cream tube on a new tube of toothpaste. The clerk said this was legal and proper, so everybody was satisfied—even the law. Our friend, too, had a feeling that somehow he'd

made a vague contribution to the war effort.

## We can quote, too

WE ourselves haven't had a visit from a Sweet Young Thing in ages, though apparently they frequently drop in on the President who lives only a block away from this office. Nearest we get is when one of our office staff comes in to tell us she is leaving to work for the Government, hopes there is no hard feeling, because she just can't pass up the money, and can she come back after the war.

They still drop in for visits after they leave. Last month one of the nicest girls we used to have, but not the most efficient, dropped in to see her former desk mates. Oh Yes! She liked her new job *very* much. She had the nicest boss. Almost the first thing he said to her was, "Now don't work too hard around here."

## Plumbers also serve

NEW instances of the anonymous, unsung part that the less spectacular units of business play in the war come to light every day. We are indebted for this one to Norman Radder, secretary of the Plumbing and Heating Industries Bureau.

The Army was having trouble with clogging of waste lines from kitchen sinks in the camps. Plumbing manufacturers were called into consultation. They recommended a testing and rating procedure for grease interceptors.

It was decided to obtain the services of the Institute of Hydraulic Research at Iowa State University for this purpose. About 50 types of interceptors were submitted to the Institute by manufacturers for testing, and those demonstrating a grease-holding efficiency of 90 per cent or better were given a certified rating for army use.

When the Army acted on these findings and installed the recommended equipment, it not only corrected the clogging of waste lines but was able to salvage about \$10,000 worth of grease a day, enough to pay for all the interceptors in a few months. And

# STRATEGY



...STARTS IN THE SHOP!

War strategy starts in the shop.

The shop must quickly adjust its manufacturing facilities to new demands. A general must shift his forces to meet new enemy thrusts.

Machine tools that are most valuable in war — and peace, too — are the ones that are ready to meet the new job with the least cost of time and dollars.

Versatility has always been an outstanding characteristic of Bullard Multi-Au-Matics. That's why they are carrying such a heavy proportion of America's war production effort, just as they will lead when peacetime production comes again.

THE BULLARD COMPANY  
BRIDGEPORT, CONNECTICUT

**BULLARD**

grease is an important source of glycerine used in making explosives.

## Industrial coinage

WE'VE been reading Col. Robert S. Henry's new book, "This Fascinating Railroad Business," and wondering how a busy executive of the Association of American Railroads finds time to write so much and so well. Colonel Henry has previously produced two scholarly works on Civil War history.

One of the most interesting passages in this book is rather about language than railroading. The author compares the English and American railroad vocabularies and notes that the great difference could only have come about through the separation of the two peoples before the coming of railroads.

The English say "head guard" for "conductor," "goods" for "freight," "covered wagon" for "box car" and "right-away" for "highball." What we know as a call boy is a knocker-up over there. Railroad men in both countries use "sleeper," but in England it means what we know as a cross-tie.

In his "American Language," H. L. Mencken says that American slang is usually much more virile than English. In support of this view Mencken cited the superiority of our "frog" over their "crossing plate" (rail attachment for switching), and of "cow-catcher" over "plow."

## Security for union bosses

WHY are the labor and public representatives on the National War Labor Board so set on fastening the union maintenance clause on industries that appear before it?

One reason appears to be that some of the unions are slipping and need government support to stay on their feet. It is reported that the United Electrical, Radio and Machine Workers of America had lost 25 per cent of its members in the Walker-Turner local before the Board came to their rescue. "Union security" stops this dissolution because it means that every member must remain paid up or lose his job.

True figures on C.I.O. membership rosters are about as secret as Hitler's gasoline supply. If obtainable, they might reveal that, without federal sponsorship, the organization would soon fall apart.

## And summer coming on

A FACTOR in the high mortality of employees in the Circulation Department may be found in the increase of such address labels as this:

Mr. Clem Crossland  
Chief Assistant Deputy Director

Division of Industries Operations  
War Production Board  
Room H-135  
Temporary E Building  
Sixth and Adams Drive, S. W.  
Washington, D. C.

### Democratic education

SPEAKING before the Ethical Culture Society, Mrs. Roosevelt gave as her opinion that Germany would have to be policed for many years after the war to educate German youth in preferring democracy to Nazism. Somehow, it reminded us of Josh Billings and his bit of homespun philosophy:

Nobody can talk as much as that man does without putting his foot into it sometimes; there just ain't that much truth in the world.

The aphorism applies here. Mrs. Roosevelt, we think, ought to get a citation or something for having done about the nicest job of putting a foot into it of all the foot-putting of the fiscal year.

First of all, we never thought "educate" meant to whack a pupil with a policeman's billy. If it does, and sound political principles can be instilled that way, we have a lot to unlearn about education.

Second, a statement of this sort from one whose unofficial position has become highly official, adds confusion to an already confused propaganda policy. The young men we know who are practicing squads right are inspired to kill off Hitler to free German youths under his yoke. Now, to tell them that after Hitler's heel is removed from the necks of these same German youths, our boys will have to police them while "educating" them to the joys of freedom and democracy, musses up their patriotic conceptions as to why they are fighting.

Isn't there danger that German boys will feel a little bit cheated if, after we save them from a domestic discipline, we impose on them an imported, foreign brand? Any way you look at it, it is all too confusing.

### Quotable quotes

THE average author is inferior to a bartender and on a par with a social worker.—H. L. Mencken at a Book and Author luncheon.

THE American press should not accept the slavery of silence which the masters of totalitarian nations impose upon their subjects.—Grove Patterson, editor, *The Toledo Blade*.

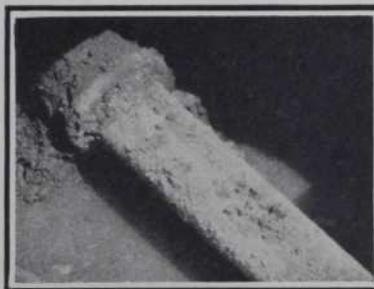
THE sooner we forget the theory that we can win the war by winning the battle of propaganda, the more likely we are to achieve complete military

## TOO BAD THEY CAN'T MAKE TIRES OUT OF CAST IRON — DAD



**-THEN THEY WOULD  
LAST 100 YEARS  
LIKE CAST IRON  
PIPE — EH SON?**

WHILE stranger things have happened because of wartime need of substitutes, it is unlikely that we shall have to go back to the iron-treaded wheels of horse-and-buggy days. But it is natural to wish that all things could last as long as cast iron pipe—a century or more. The known useful life of cast iron pipe is at least double the estimated life of other pipe used for water, gas or sewer mains. Costly replacements that would be necessary with shorter-lived pipe are avoided by the use of cast iron pipe. It can be salvaged or re-used. It is the only ferrous metal pipe, practicable for underground mains which rust does not destroy.



Unretouched photograph of more than century old cast iron pipe still serving and saving taxes in Philadelphia, Pa.

Pipe bearing  
this mark



is cast  
iron pipe

Available in diameters from 1 1/4 to 84 inches.

# CAST IRON PIPE

*No. 1  
Tax Saver*

CAST IRON PIPE RESEARCH ASS'N, T. F. WOLFE, RESEARCH ENGINEER, PEOPLES GAS BUILDING, CHICAGO

The information in this advertisement has been reviewed for publication by Government authorities



## Miracle in the night

It is night at a hidden airfield.

A huge bomber rolls forth and roars down the dark runway. Hours later it returns and circles above the field. Not a light shows—yet its wheels unerringly find the runway its pilot never sees.

*How can men fly like this? How can they take off in darkness, accurately bomb their objectives, return to an unmarked field, land safely without lights?*

The answer, of course, is *instruments*—precise, delicate dials and indicators that are the eyes and ears of our fighting forces.

In the cockpit of every American bomber are more than 200 of these instruments. In ships, submarines, tanks, in every type of artillery, instruments perform a thousand essential tasks. This, truly, is a war of instruments.

If we are to have planes and tanks and fighting machines by the thousands, we must have instruments by the *millions*. Before the war, America had no facilities for making electrical instruments on such a tremendous scale—yet *today*, America is getting the instruments it needs. And, Westinghouse is proud to be contributing to this vital war effort.

In Westinghouse plants long devoted to instrument manufacture, and in others now converted to that task, delicate, precise hand workmanship has been put on a mass-production basis—the job men used to say could never be done.

Westinghouse is doing this job *24 hours every day*.

### Again it's Westinghouse "know how"

On sea and land and in the air, wherever American troops go into action,

Westinghouse "know how" is on the job.

What is this "know how"? It is the ability to get things done in the best possible way. It is a combination of pride of craftsmanship, untiring research, industrial ingenuity, and a world of experience.

Today, Westinghouse "know how" has a single task and a single aim: to provide the weapons and tools that will keep freedom alive in America and throughout the world.

# Westinghouse



Every Westinghouse plant is producing equipment for the Army, Navy, or Merchant Marine. Here are some examples:

Blackout Plant Air-Conditioning

Equipment

Naval Ordnance

Field Hospital X-Ray Equipment

Army Camp Refrigerators

Instruments for Battleships

Aircraft Instruments

Binoculars

Mercury Vapor Lamps

Military Radio

Marine Turbines and

Gears

Fluorescent Lighting

Tank Equipment

Ship Searchlights

Water Coolers

Ignitron Rectifiers

Motors and Controls

Armor-Piercing Shot

Electronic Tubes

Steam Condensers

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY, PITTSBURGH, PENNA.

Plants in 25 cities—offices everywhere

success. Our people are not discouraged. They don't need to be cheered up or cheered on. They are quiet and determined, asking for orders and for work.—Senator Robert A. Taft of Ohio.

THERE is a great quarrel on now between the Civilian Conservation Corps and the National Youth Administration as to who gets the enrollees—actual competition. They are trying to gobble enrollees one from the other. I saw and heard, on a train in Oklahoma, someone arguing with CCC enrollees that they ought to come into the NYA.—Rep. Wesley E. Disney of Oklahoma.

### Back to the complex life

AN N. B. C. release says that an official of that company has resigned to operate a farm in South Carolina. Not news: More and more business and professional men are renouncing ambition and embracing the pastoral life.

This escape to the land is one of the signs of the times. To those who are fitted for it, there is nothing better this side of heaven. But there are several reservations that prospective urban agriculturists ought to understand. They are very well put in "Farm for Fortune—and Vice Versa," a sparkling little book by Ladd Haystead.

Here is one of Mr. Haystead's epigrams that ought to be noted by all who feel or think they feel the call of the wild:

The making of a city farmer consists essentially in training a man who has had almost everything done for him to do everything for himself.

That change is not easy for most city men. It is even less easy for city wives. Instead of farming being the simple life that poets sing about, it is really far more complex than city life. The urbanite soon discovers this when he has to learn such diverse skills as tuning up a balky tractor, acting as midwife to cows and ewes, and mixing concrete for a watering trough.

### This cock-eyed world

FOR nine years W.P.A. has supported Music Projects, sometimes as many as two or more in one city, members of which are paid for practicing. A few months ago the United Service Organizations hit upon the idea of having W.P.A. Music Projects provide music for occasional entertainment of men in the armed services. They participated reluctantly in a few programs under orders of local W.P.A. administrators, but reported the imposition to Washington. Music Projects, it was held, had exceeded the purpose for

which they were created in performing a useful service. They were ordered to cease violations immediately. W.P.A., they were admonished, supported Music Projects for practicing and not for performing, even for free entertainment of soldiers and sailors.

The order probably comes under the general rule that any relief agency performing a useful service cannot justify its existence. Only relief agencies with a clear record for being non-essential will be tolerated. Music Projects have returned to their normal duties of practicing.

### Dream world

THE "decentralization program" has moved about 10,000 federal employees out of Washington in the past six months—but in the same interval some 45,000 new workers have come into the war agencies. Things finally got so bad that Leon Henderson was compelled to throw all his 224 pounds into the fight for elbow room for his mushrooming O.P.A. But Donald Nelson's W.P.B. also was full of yeasty growth. There were moments of friction—polite but determined, sometimes pointed by a little desk-pounding.

Soon, Henderson came up with approved blueprints for a new building, to be O.P.A. in all four wings. There remained only the problem of getting material priorities from Don Nelson. Interviewed at this juncture by Osgood Robert for the *Mayflower's Log*, Henderson could not say precisely how the tide of battle was going. But he offered a parable:

Two negroes resting in the Georgia sun fell to competitive visions of heart's desire. After an hour or so, neither could surpass the dream of 100 watermelons. But on the question of division a bloody brawl developed. Before the police judge, the dreamer who first imagined plenty of watermelons was examined rigorously as the chief offender against public order.

"Do you mean you wouldn't give him any of those watermelons?" the Court demanded.

"No suh," said the man-of-vision, "let him go dream up his own watermelons."

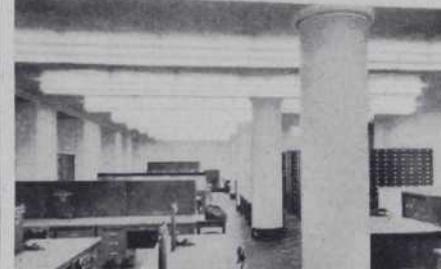
### Thanks for the compliment

HERE at NATION'S BUSINESS we've answered inquiries on everything from the marital status of Senators to the length of W.P.A. shovel handles. We like to do it. But the other day a West Coast school girl wrote us, probably as one of those "class assignments," that put us up a tree. It was concise and direct. This is all it said:

I would appreciate any information I can obtain from you.

We could tell the young woman about a number of things, but we modestly sent it over to our contemporary, the Office of Facts and Figures.

**Guth**  
**Fluorescent**  
**LIGHTING**  
**VITAL**  
**Equipment**  
**FOR**  
**THE ARMY THAT**  
**WORKS INDOORS!**



*I*n factories, in drafting rooms, in warehouses, in offices—this is a war of nerves. Long, extra hours of eye-strain can greatly hinder America's productive efficiency—commit unintentional but damaging sabotage through errors, spoilage and waste.

You can do more work—better work—and enjoy all the other tremendous benefits of clear, effortless seeing with the help of GUTH Fluorescent Lighting. Users are proving this statement daily, attesting to better morale and greater working comfort—with efficiency up 15% and more in many cases.

**FOR NATIONAL OFFENSE**  
**Guth**

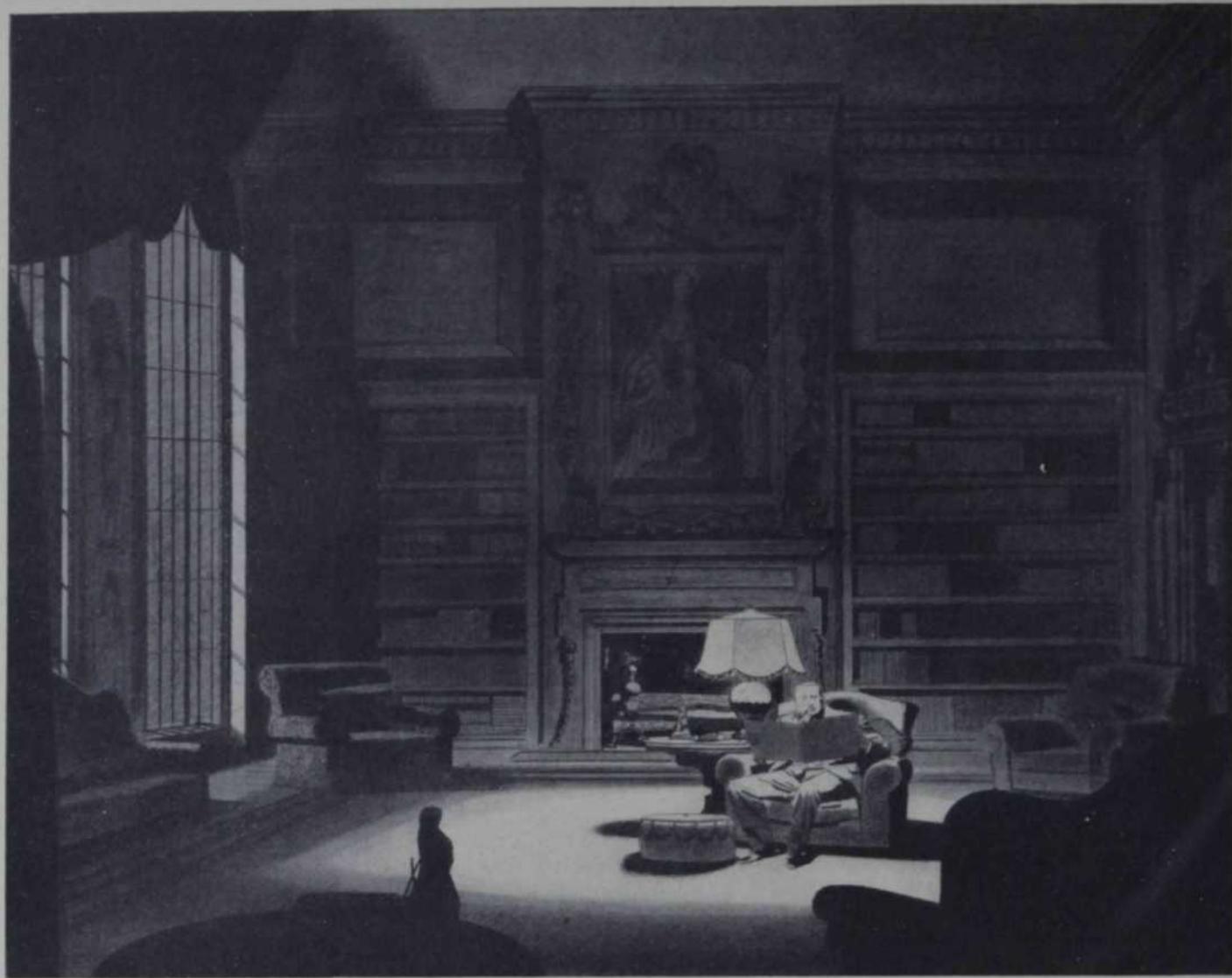
is now making Projectiles, Ventilators, and Lighting Equipment, and is also Spinning, Stamping, and Power-Breaking Metal. GUTH'S Finishing Department is applying Alumalite®, ALZAK®, and Coloring to Aluminum Metal; and is producing Cadmium, Udylite, and all other Electropolating. Some surplus capacity is still available.

\*T. M. Alcoa

Write us today for sound engineering advice on modern lighting—with out obligation, of course.

**40th Anniversary of** **Guth** **Lighting Leadership**

The EDWIN F. GUTH CO. • 2615 Washington Ave., St. Louis, Mo.



## Five years from now they'll call him "LUCKY"

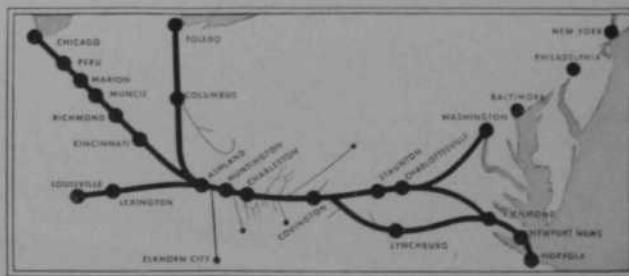
**T**ODAY this man is thinking five years ahead of his time. But his competitors don't know it—yet.

Later on, when his company becomes a triple-threat in postwar markets . . . when his production costs are a third lower . . . competitors will call him "lucky." But he will remember that "way back in 1942" he was planning for a hard-fought tomorrow...building up a mass of vital information . . . such as you will find today in a book called *"The Chessie Corridor—Industry's Next Great Expansion Area."*

This book is no Aladdin's lamp, complete with jinni to conjure postwar dominance for your firm . . . but it may definitely point your way into an extraordinary industrial area. For *The Corridor* is a region where the industrial future of America is being reshaped . . . where a diversity of busy industries draw on the steady supply of power and raw materials produced for them from *The Chessie Corridor's* earth. Here—almost at the front door of many a plant—are endless resources of coal . . . oil . . . natural

gas . . . soft, pure water . . . limestone . . . silica sand . . . salt and other essential minerals. This important region is well peopled with native-born workers, is close to major markets, and served by excellent transportation.

Location in *The Corridor* may be a vital factor in your firm's success. So, shouldn't you study the facts—now? Copies of "The Chessie Corridor" will be mailed to executives requesting them from INDUSTRIAL DEVELOPMENT SERVICE, Chesapeake and Ohio Lines, Huntington, W. Va.



THE CHESSIE CORRIDOR, Served by  
**CHESAPEAKE AND OHIO LINES**

Geared to the **GO** of America!



## WAR-AND RESEARCH

Research will win this war . . . through the development of new offensive weapons.

Research will determine the course of post-war expansion.

Research laboratories . . . well-planned, -built and -equipped by Ferguson . . . are designed not only for the present emergency but also for profitable post-war use.

**The H.K.  
Ferguson  
Co.**

ENGINEERS AND BUILDERS

CLEVELAND • HOUSTON • NEW YORK

Official photograph U. S. Navy



## IT HELPED LONDON TO "TAKE IT"

Think of the biggest fire you ever saw and multiply it a thousandfold. Conflagrations like that were common during the great arson-blitzes that threatened London in the terrible autumn of 1940. Never did firemen face such tremendous odds so often.

But London was ready. For months the British had been buying fire hose from America, scores of miles of it built to A.R.P. specifications by the G.T.M.—Goodyear Technical Man.

Day and night that hose took a beating, on pumper, fire boats and taxi-drawn reels. It was yanked

through streets and hauled up ladders, entangled in ruins and buried by debris, but it kept the water coming.

London took it that fall and put it out with the help of Goodyear fire hose. And today many

SEND FOR FREE MANUAL  
"GOODYEAR INDUSTRIAL RUBBER PRODUCTS CONSERVATION"  
—prepared by the G. T. M.  
Contains many suggestions  
for increasing the life of hose,  
belting and other rubber  
products. Write: Goodyear,  
Dept. NB-3, Akron, Ohio.

American A. R. P. services are choosing Goodyear hose because its mildew-resistant fabric cover and specially cured rubber tube prevent cracking and rotting, even when coiled for long periods. These exclusive features are typical of the advantages to be found in all Goodyear rubber products specified by the G. T. M.—Goodyear Technical Man.



## Planning Bricks Without Straw

ONE of the greatest students of government and one of the greatest admirers of the American political system was Alexis de Tocqueville. His *Democracy in America* is a text-book. He also made a searching analysis of the causes which paved the way for the French Revolution.

Among these causes were new and excessive taxes; the central Government's usurpation of more power; Parliament's abdication to the Executive; creation of new emergencies by bureaucracy which only a greater bureaucracy could meet; government subsidies to more and more groups; the State "formed the minds of citizens to a pre-conceived model"; the administration "took pains to teach the people to regard private property with contempt."

But the point that strikes us as most timely is this paragraph:

How came it that literary men . . . monopolized administrative power . . . and found themselves, though strangers to government, indulging unreservedly in abstract and general theories of government. They had no practical acquaintance with the subject; their ardors were undamped by actual experience; they knew of no existing facts which stood in the way of desirable reforms . . .

Our "literary men", brain-trusters, dominate administrative boards in Washington today, from W.L.B. to O.C.D. In addition they make up the 35 federal agencies now engaged in planning the New World Order which is to follow the war. Their charts, graphs, social blueprints and prospective "administrative imperatives" are measured by the cubic yard.

If, for example, the public remains skeptical as to the need of severe rationing, it is because it does not understand the Plan. The Plan is to deprive people of things and thus build up a "bank of wishes and demands" when peace comes. So, the vagaries of the spending program, of taxation, social service, labor policies, stem from the boys "whose ardors are undamped by actual experience," and who "know of no existing facts which stand in the way of desirable reforms." (Meaning, they don't know that some damn good revolutions have been built on banks of wants.)

These 35 agencies rush forth a new blueprint every hour. They compete with the military communiques of MacArthur. Each plan, like those of Mussolini, Hitler, Blum and Lenin, holds great promise for everybody at some future five or ten-year period: Congenial employment for all, homes and clothes and food in abundance, peace on earth everlasting, justice and happiness and sweetness and light and a Garden of Eden to loll in.

But in all our planning, since 1930, each swivel-chair dream omits one essential ingredient, one harsh reality. That ingredient is work, the sweaty physical work to be done by that dwindling number of us not making or administering bureaucratic plans. Overlooked is the grubby task of production, work to build houses, to grow crops, to make clothes, to provide the thousand comforts and conveniences and luxuries of the New Day. This element of well-being, this *sine qua non*, this without which there is nothing, is strikingly absent in all the Plans.

Instead, there is political magic, statutory sleigh-bells, legislative legerdemain. The academic verbiage adds up, "Every man a king," with no one to cook and wash the dishes. Oompah, ta-ta-ta-ta. Get in line for your crown and scepter!

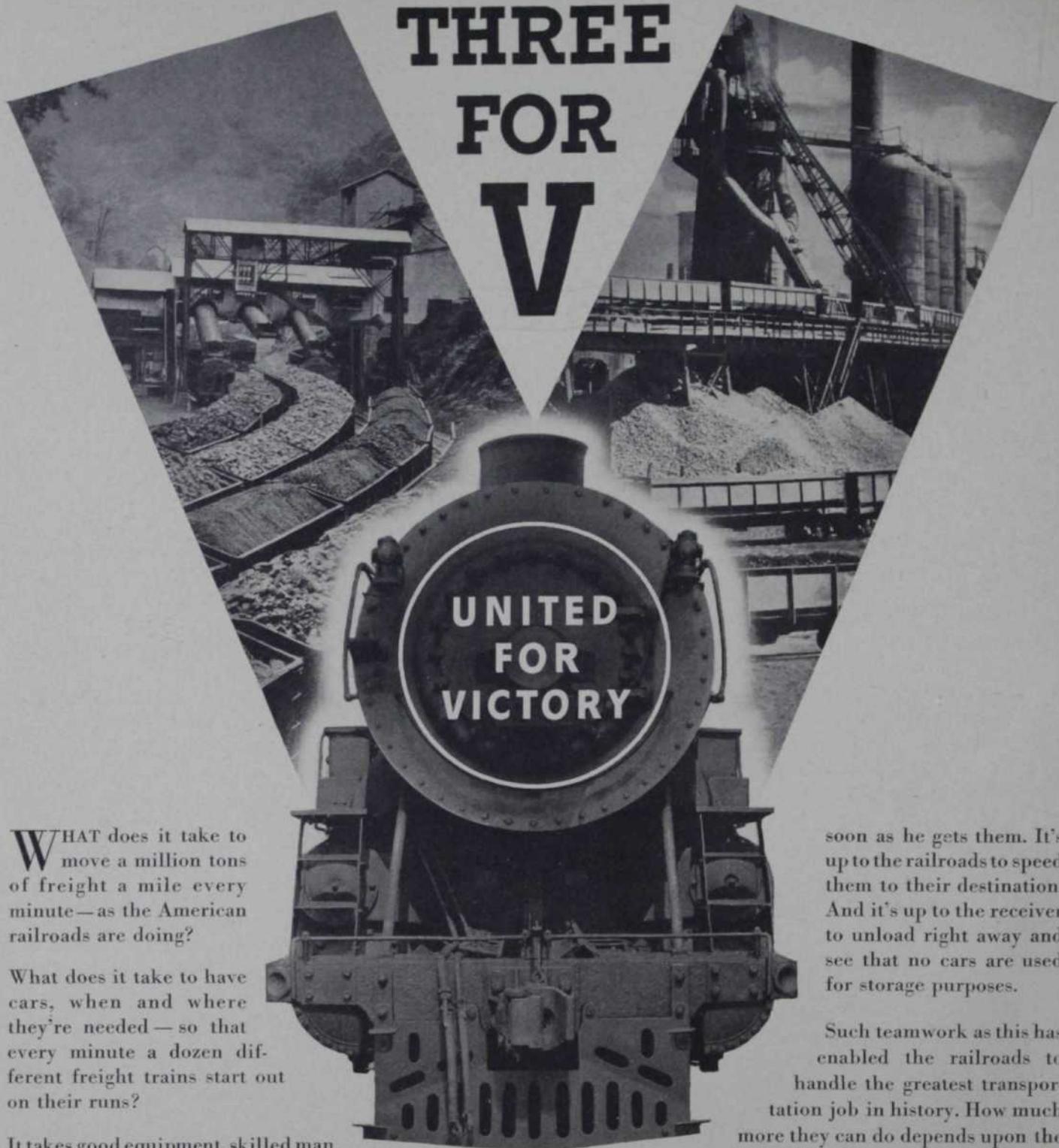
The business man concedes to no one a greater interest in a better world after the war is over. He has pledged for the duration his resources and his ability to ways and means of winning the war—and the peace. He, least of all, underrates the value of a forward look. But he, being a realist, would approach the study of Present Plethora of Plans with more zeal if the premise were honest.

That premise might run something like this:

Whereas: Two plus two still equals four; what goes up must come down; water wets and fire burns; folly brings its own penalty; good judgment and industry their own reward; and further whereas, there is no substitute for hard work since the Lord spoke to Adam, therefore

Be it resolved—

*Meredith Thorpe*



WHAT does it take to move a million tons of freight a mile every minute—as the American railroads are doing?

What does it take to have cars, when and where they're needed—so that every minute a dozen different freight trains start out on their runs?

It takes good equipment, skilled manpower and efficient management.

It takes the full, three-way cooperation of those who ship goods, of the railroads which haul them, and of those who receive them.

It's up to the shipper to load his cars to capacity as

soon as he gets them. It's up to the railroads to speed them to their destination. And it's up to the receiver to unload right away and see that no cars are used for storage purposes.

Such teamwork as this has enabled the railroads to handle the greatest transportation job in history. How much more they can do depends upon the materials they are permitted to get for repair and maintenance, and for additional cars and locomotives.

Whatever that may be, the railroads, the shippers and the receivers—THREE FOR V—will work together to help win this war.

ASSOCIATION OF

# AMERICAN RAILROADS

WASHINGTON, D.C.

# “Holding Hands with Hitler”

By HAROLD M. FLEMING

**HEADLINE HUNTERS** on the home front  
go to extremes in the attacks they are  
making on our productive forces

**N**EWSPAPER headlines for the past month have broadcast to the American public a sinister picture of American business “holding hands with Hitler” in what sounds like the most traitorous sell-out to an enemy government in American history. Hanging it seems, would be none too bad for the business Benedict Arnolds who let themselves become the dupes, willing or unwilling, of the Axis.

The picture, which is more fantastic than the dreams of international-spy fiction, would bear out the old saying that truth is stranger than fiction, but for one little drawback: It isn’t true.

Not that Thurman Arnold’s men and a couple of business-baiting Senators who have been assiduously building up the whole mythology in the current Senate Patent Committee hearings have intentionally told any untruths. The picture isn’t true simply because it is not “the truth, the whole truth, and nothing but the truth.” In particular it is not the whole truth. It is needled up with innuendos, false conclusions, and misleading impressions, megaphoned to the public through the sounding board of the press. It is a game of anagrams in which the facts, like letters of the alphabet, have been juggled round to spell everything that’s bad and nothing that’s good about business. It is something like those signs in public places where pranksters have crossed out a few letters and filled in a few others to make an obscene satire of the original meaning. It is a huge mosaic built up of little documents ripped from their context and patched together to make a picture that leers.

It isn’t strange that the victims—and all American business is indirectly victim—don’t like it. But, if they could forego their indignation for a little while, they might learn something that business sadly needs to learn. The whole job is one of the most competently stage-managed pieces of persecution by newspaper ever put on in Washington. If business men could learn some of its techniques, tricks, and devices they would be miles ahead in their public relations policies.

Trial by newspaper differs from trial by court much as street fighting differs from professional boxing. No blows are barred and all rules are

Do the American people regret the protection they gave to this man? Should this protection be denied to the young men who are working today for future comfort?



off. Legal rules of evidence don't count. Consistency is unnecessary. Testimony need not be relevant if it is interesting. Circumstantial evidence will do. Cases lost in court can be re-tried thus and won in the newspapers. Opinion can pass for fact and allegation for proof. Only the fundamental dramatic elements of a stock villain and a stock victim are needed, because, though the scene is like a court-room, the action is plain old-fashioned melodrama.

### Trial in publicity

AMERICAN business publicity falls down because it is largely dominated by lawyers. Publicity is a showman's game. A corporation lawyer, particularly if he is without trial experience, stands about as much chance in one of these carnivals as a preacher at an amusement park. Thurman Arnold and his staff are showmen.

They don't have to know the law to win the headlines. In the Gestapo or Kangaroo court of the Senate Patent Committee hearings there is no law except that of the jungle: that he shall smear who has the power, and he defend who can. Even in court cases such as the mammoth Aluminum Corporation antitrust trial, the Antitrust people won in the newspapers even though,

on a purely legal count, they lost 140 points out of 140.

It has been established in the public mind that the Senate Patent Committee is looking for means to free patents which are being pig-headedly—even treasonably— withheld from American war industry. Said Senator O'Mahoney at the opening, "This is not a patent reform bill; this is really a war bill."

Said Senator La Follette, "The log jam of patents must be blown open." Speaking of "industrial treason," he went on to say "I believe it will be revealed before we are done that even the advent of war did not prevent a continuation of this damnable situation."

But no log jam of patents has been found. No shred of real evidence has been adduced that anybody is withholding any patents from anybody who needs them for the war program. In fact, the evidence brought in by the Department of Justice has not even claimed to show such withholding since *Pearl Harbor*, with one single notable exception. The evidence all applies to conduct before December 7, and the overwhelming bulk of it to conduct before September 3, 1939. Company after company has said in its reply that its patent agreements with the Germans "had in no way interfered with production for both the United States and

Britain (Remington Arms), or that "there is no shortage" of its product (Rohm & Haas' plexiglas). Standard Oil Company of New Jersey presented a sheaf of evidence that it had repeatedly pushed its synthetic rubber, toluol, and other patented products on the Washington authorities in recent years, partly in vain.

General Electric pointed out that, since a 1940 court decree, its patent control of Carboloy metal-cutting tips had been upset anyway. As for the Aluminum Corporation, its basic aluminum patents had expired in 1909 and the rigidity of its current grip on magnesium patents (if any) is indicated by the fact that magnesium output is being expanded from about 12,000,000 pounds in 1939 to a currently completed capacity of 54,000,000 pounds and a contemplated goal of 725,000,000.

### Unfounded accusations

THE single exception to the above, so far cited, was the case of a patent held by Mr. William Dzuz on a small steel screw for clamping airplane shells and doors together. The Dzuz case had "sensational aspects" as Thurman Arnold told the committee. As it turned out they were sensational in a way that Mr. Arnold did not mean.

Because of this patent, said Mr. Arnold, "our military aircraft program has been and is at this very moment being seriously impeded. . . . At one plant 80 airplanes were delayed in their production; at another plant the same thing happened to 20 Flying Fortresses. . . . I do not say that there may not be other factors involved in the shortage of this screw. . . . I do say that the patent problem is in the center. . . ."

A little incident in the Dzuz case should be a mild sensation to anyone who knows patent law. Said Mr. Arnold, holding the Dzuz clamp aloft before the Committee:

Look at it . . . it is a design patent, and never ought to have been patented at all. . . . The patent was in itself a violation of the antitrust laws if used to tie up an entire industry. That is my theory.

That is drama, but it is not law. It is not even common sense. If it were, the examiners of the U. S. Patent Office who gave the Dzuz gadget a patent ought to be fired. Simplicity is no bar to patentability. The collapsible collar button was once patented; so was the lead-pencil eraser, and the basic Bell telephone patent was absurdly simple. Mr. Arnold's theory that a patent can



The patent probers needed "traitors" whom they could attack. When they were not available, it was necessary to scare up a few

be in itself a violation of the antitrust laws is legally preposterous on its face. Besides, he didn't bring the whole gadget into the hearings. And it wasn't a design patent.

### No delay because of patent

MR. DZUZ and his competent patent lawyer, Daniel Kane, gave the Committee the facts nine days later. A shortage of Dzuz gadgets *was* holding up airplane production—but not because of the patent. Mr. Dzuz had just granted a royalty-free license to North American Aviation Corporation to make these clamps and was negotiating similar ones for the Bell Airocobra and to Fisher Body—the only war manufacturers who had asked for them. The Dzuz clamp was not the only one on the market. The armed services consider two others quite as good. Mr. Dzuz had supplied all orders up to Pearl Harbor; then they swamped him, though his current output is running 26 times as large as that of 1938.

He had not expanded faster because he had found it impossible to get from the airplane people before Pearl Harbor any estimate of how many they would need. In fact, in 1939 he had sent out 18 inquiries as to their needs and received only seven replies. (For this he was under investigation on suspicion of seeking military information for enemy aliens.)

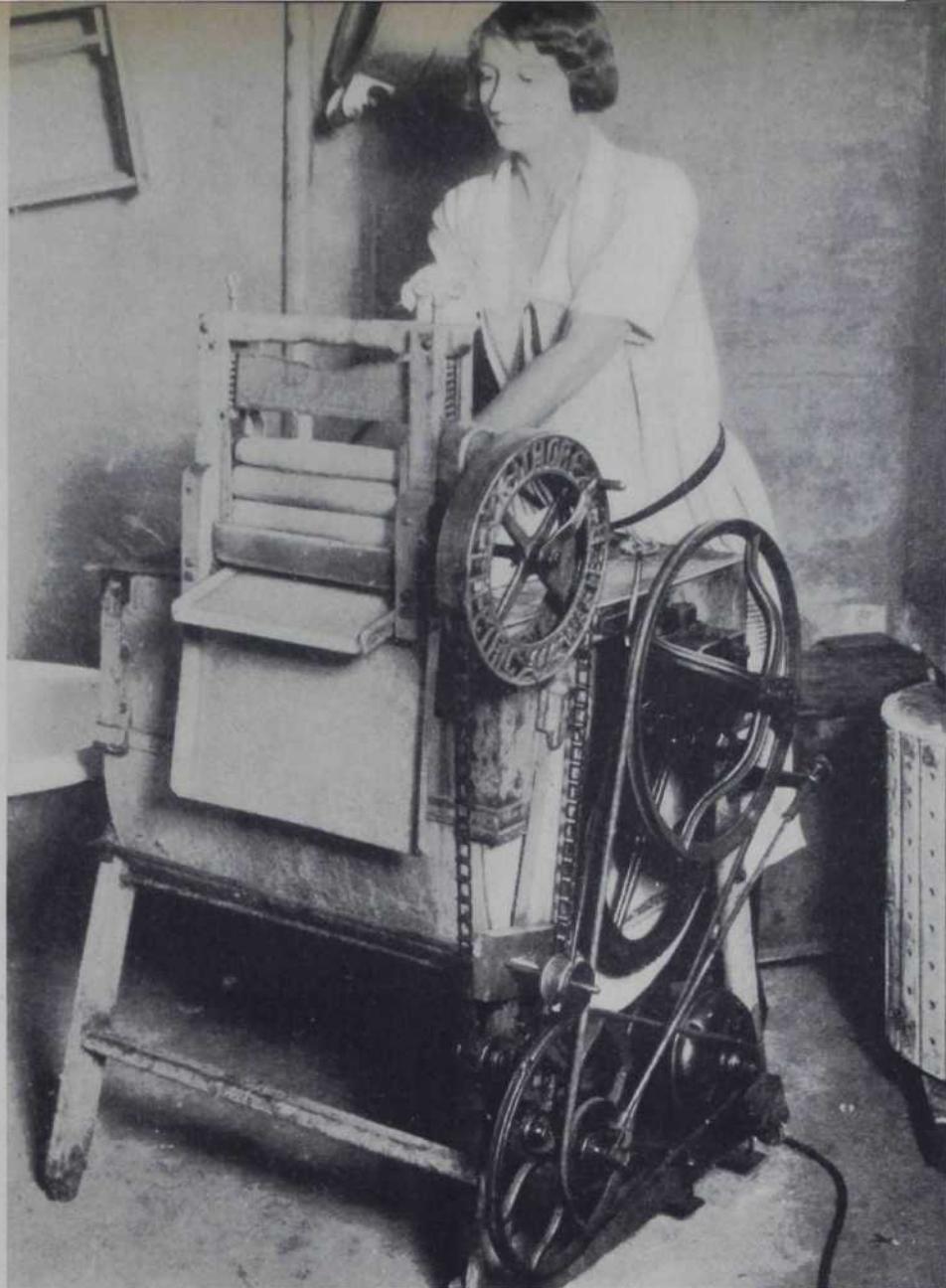
Nevertheless he doubled his capacity in 1940 and, through his efforts, a plant to produce his clamp was built in England. Further than that he had tried in vain to get an amortization certificate, which was turned down in February, 1941, on the ground that "there seems to be no shortage of the facilities to produce" such fasteners as his. After Pearl Harbor he could not get screw machines and materials (for lack of adequate priorities) to make his gadget.

Said his lawyer:

The major blame, I think, lies here: that the small accessory manufacturers for aircraft are lost in the mad scramble or stampede for expansion. . . . When a large bomber plant or warplane plant is to be built, every Government agency gives full cooperation. Naturally, the importance of a bomber plant is obvious. But these small fastener devices are not impressive to look at. . . . Full cooperation . . . is not accorded to the small accessory manufacturer until a bottleneck develops. . . .

### Patents are no bottleneck

IT is not surprising that the Committee has found no cases of obstruction of the war program through withholding of patents since Pearl Harbor. They cannot be withheld. The law took care of that nearly 25 years ago. The Government can take over alien-owned patents under a Congressional Act of 1917, and American-owned patents can



A "lose-your-shirt" period precedes public acceptance of a new invention. Frequently patents die before becoming profitable

be used during war by any war industry at the behest of the Government without fear of infringement suit under an Act of June 25, 1910, as amended on July 1, 1918 (36 Stat. 851, 40 Stat. 705, U.S.C. Sec. 68). The latter amendment was adopted with the aid of then Assistant Secretary of the Navy Franklin D. Roosevelt. The problem is as dead as the hoopskirt.

But let us look over the charges against American business of "holding hands with Hitler" (as Chairman Homer T. Bone of the Committee put it), even if they are irrelevant to the investigation and are as morally dead as isolationism. They sound bad but also extremely interesting.

The indictment is, as the Director of the Office of Facts and Figures put it to the President in a report last December, that the enemy "has worked for many years to weaken our military potential. Through patent controls and cartel agreements he succeeded in limiting American production and export of

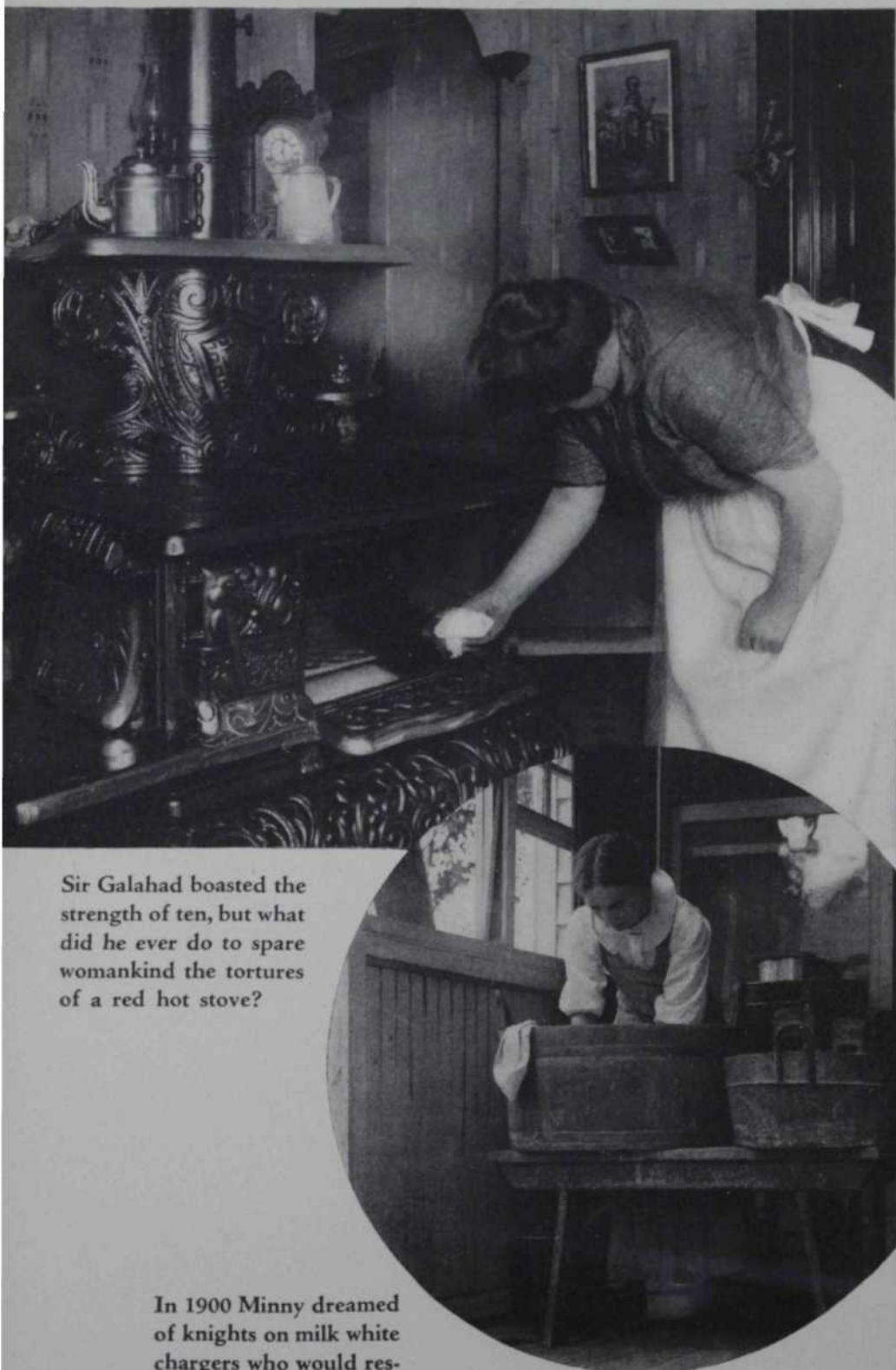
many vital materials . . . decoying important American companies into agreements the purpose of which they did not sense."

When the most spectacular of these cases of Americans "holding hands with Hitler" occurred, Hitler was in jail. The Aluminum Corporation's magnesium patent deal with IG-Farben was in 1928. General Electric's carboiy deal with Krupp was in 1928, and Jersey's synthetic rubber deal with Farben was in 1929. Hitler became Chancellor in 1933.

In synthetics, Germany was then, had been, and still is, the acknowledged world leader. She had to be, lacking oil, rubber, and other raw materials. Her big companies operated the biggest stables of patents in the world. American companies could get the use of those patents in the United States only on German terms.

One of those terms was dollars. Standard of New Jersey paid Farben  
(Continued on page 78)

# Sir Business, Greatest Gallant



Sir Galahad boasted the strength of ten, but what did he ever do to spare womankind the tortures of a red hot stove?

In 1900 Minny dreamed of knights on milk white chargers who would rescue her from this drudgery. Business did

American business never kissed her hand but it made butter so cheap she threw the churn away

**R**OMANCE is peculiar stuff. What American woman has not palpitated to a period novel in which the knights, buckling on their broadswords, galloped off to avenge a slight to the fair heroine. Compared to the tin-plated gallants of the past, the American male has seemed drab and lusterless.

American men get bald. They do not bend gallantly over the pallid, female hand. But, as the women are about to find out, the American business man has been the greatest gallant of them all.

True, his good sword has carved no casques—but did Sir Galahad ever invent a mangle so that his light of love could get the family washing done in time to spend the afternoon playing bridge? Did Robin Hood build a bakery to save Maid Marion the fevered chore of baking? Did the highwayman steal a dish-washing machine for Bess, the landlord's daughter? Don't be silly.

Today, the business man has some-

PHOTOS BY BROWN BROTHERS



# of Them All

thing to think about except ways to make Mamma's job easier. He's helping those who are fighting so that she may again have the things he gave her but which priorities, rationing, shortages and war production are taking away from her for the time being.

But Mamma needn't worry. Even in wartime Business is getting new ideas. Maybe, when peace comes, there'll be greater appreciation for Babbitt, the greatest gallant of them all.



Knights promised pretty girls a chance to sit on a cushion and sew a fine seam. Business men gave homely girls the same chance, and threw in a sewing machine

Knights protected women from dragons. Business developed refrigeration to protect her from germs



KEystone View



PAUL THOMPSON

# Business Keeps Its Pennants Flying

By DICKSON HARTWELL

THE AMERICAN business man and the American industrialist are determined to win the war no matter what it costs. Some of them are equally determined to keep their own identity before the public, not to sell products today, but to sell them when the war is over.

Already scores of top-flight organizations have announced their intention of keeping their house flags flying through advertising, promotion and public relations programs. American Brass Company is starting its biggest campaign in years, telling the public what the company is doing for defense in an effort to build good will for the vital post-war period. Van Camp's Pork and Beans are supplementing their national magazine advertising with 3,400 newspapers. Columbia Pictures is upping its budget 30 per cent. The Mennen Company, Zonite, Snider Packing Company, and Stetson Hats are others with expanded advertising programs.

People have wanted to know why United States Steel is continuing to tell the public the manifold uses of steel.

"What's the idea," they ask, "in making us want what we can't get?"

The company covers part of the answer to that by making this reply:

Even though steel products are going to be harder and harder to get, we believe it is important to remind people of the comfort and convenience steel can bring to them.

To this company continued advertising is, in part, a form of "prosperity insurance"—both for itself and for the thousands of retailers who handle products which it has a large share in processing.

In World War I many companies cancelled advertising and promotion programs for the duration. By 1919, many of them found the public had already begun to forget them and their products.

Others, although they "had nothing



**WITH a dramatic story to tell, American industry is telling it as a form of "prosperity insurance" for the time of peace that is to come**

to sell," continued to advertise—among them, du Pont, Eastman Kodak, American Rolling Mill, Corona Typewriter, Beaverboard, Armstrong Cork, Ever-sharp and Lucky Strike. With peace, they did not have to jog the public's memory.

But sales are only part of the story. Almost as much as loss of markets, the astute industrialist fears how the post-war era may alter his way of doing business. Will he have the Government as a permanent competitor? Is some new *ism*, born out of chaos by desperation, going to sneak up behind him? A few business men—all too few—are convinced that the only thing which will save them from this fate is public opinion. To them, their main chance

of survival lies in keeping their house flags flying.

Few businesses have less to sell the consumer than the rubber industry, but the companies are taking huge amounts of advertising space to tell the public how to conserve rubber and to get the most wear out of automobile tires. Such advertising is a public service; it also keeps the company name where it belongs, in the public's mind.

## A bid for good will

THE war offers industry a golden opportunity to regain some of the public good will lost in the depression. Business, unjustly blamed, didn't tell its story then, perhaps because it felt it had nothing to say. The war has changed that. Today American industry has the most dramatic story in its history because it is American industry that will win the war. The story is there; the only question is, will industry get it across to the public?

Some industries will. Listen to Westinghouse describe how knowledge gained in peace is translated into war production:

At cities far from the oceans, in brand-new, Westinghouse-operated factories, will be built much of the Navy's ordnance which will sound our nation's determination to preserve this freedom we have worked so long to build. Here, in 143 days, plants were built, machines were installed, craftsmen were trained, in an outstanding example of the way Westinghouse "know how" is working three shifts a day for our War Program.

Goodrich headlines an ad "Dipping a Battleship's Ribs in Fire Water" to describe a new service for rubber in speeding war production. Timken Roller Bearing Company footnotes its advertisements:

Timken bearings are enabling machines . . . to keep ahead of war-time demands. The same advantages will make them successful under the stress of post victory conditions.

(Continued on page 87)



Price control increases difficulty of issuing catalogs and confuses consumer who is uncertain of effect on his buying power

KEYSTONE

## O.P.A. Calls the Signals

By R. L. VAN BOSKIRK

**P**RICE control is an attempt to sit on the lid of an economic volcano. If Mr. Henderson can't hold the lid, the volcano will erupt and the cost of living will double or triple.

Brave as he is, Mr. Henderson would never choose such a hot seat except for his conviction that inflation would lose the war at home even if we won on the battle front.

Not all business men are certain that price ceilings alone will muzzle inflation. But every business man will try to make them hold.

No such net has ever been drawn over U.S. industry. N.R.A. was the closest approach. The N.R.A. net broke apart largely because of poor enforcement. Violators were tolerated because there was no agreement on necessity for the act.

Today there is a different mass psychology. Bombs—physical hurt—loss of life, are in the offing. It isn't safe to take chances on a quick ending of the war. Price ceilings are the first steps

**BUSINESS men must shift to meet the demands of a signal caller who has called a difficult play that nobody likes, but everybody hopes will work**

to curb inflation. There is a feeling that they must be applied, even though it will be difficult to get rid of them after the war, but people won't tolerate either blundering officials or deliberate efforts to sabotage an essential part of the war effort. A few years ago the chiseler and bootlegger were tolerated because the public was not convinced that they represented an unmitigated evil. Today, a man who pays \$60 for a black market tire is as wicked as the man who sells it.

Many unfortunate persons will be unjustly accused of shady practice. That is inevitable. Business casualties will be frequent and severe. A push

cart vendor can't sell bananas for 30 cents if they cost him 30 cents. A filling station can't stay in business if the operator can't sell enough gasoline to pay his overhead. Nevertheless, price ceilings are here for the duration, maybe longer. If they don't work, either the net will be made tighter or disaster will strike.

The best thing business men can do is offer constructive ideas that will help put the machinery in gear. Even the operators admit that it will need plenty of tinkering.

The O.P.A. is a curious mixture of expert and inexpert administrators. Two conversations heard last month



Retailers will have to keep many more records than ever before even though their stock may dwindle to a considerable extent

ELIZABETH R. HIBBS

illustrate the point. One business man said:

We have had our troubles with O.P.A., but mostly we have found them willing and eager to help us straighten out our difficulties.

Another business man, a liberal, too, in a different industry said:

I never saw such a lack of understanding about business.

#### Hurting small business

THESE two attitudes are difficult to reconcile, but there they are. The small operator suffers more than the big fellow, partly because he is in a less favorable position to get his case considered. The tragedy of the New Deal has been that, although it has tried to help small business, almost every major effort has reacted against the little fellow. A judge in Kansas recently emphasized the situation when he asked why, in times like this, the federal Government sent five high-priced government lawyers out to his state to prosecute an inconspicuous business man for alleged

violations of the wages and hours act.

But small or big, every business man must prepare to face problems that will strain his ingenuity.

Manufacturers with increased labor and overhead costs must produce an item that retailers can sell at ceiling prices.

Wholesalers are going to cut down the number of customers and items. They won't deliver to dealers on fringe territory or to slow payers.

The retailer will certainly fail if he attempts to do business as usual. He will have to make voluminous reports, handle an ever increasing number of complaints and act as an information bureau to explain the law. He will work longer hours, have less goods to sell, curtail credit, delivery and other services.

The consumer will spend more time shopping, do without many favorite items, get less service and consideration in his dealings.

The politician will be alarmed to find that his chance of holding office may

hinge on what happens in the grocery stores of his district.

Everybody will be caught in the netting that holds up the ceiling, but retailers will be ensnared more because they are caught in the middle. They will catch the weight of public complaint, but the manufacturer and wholesaler will have a terrific time trying to supply goods at a price the retailer can handle. The latter may refuse to take them if he can't make a small profit at the ceiling price.

#### More records than goods

RETAILERS are going to be saddled with mountains of detail work. All of them must know what every item sold for last March. On some items that price must be posted. On all items a record must be available for Mrs. Shopper to look at if she wishes.

Food stores alone carry from 800 to 4,000 items. Mrs. Bargainhunter is going to find different prices for the same item in different stores. When she complains, the retailer or a battery of well-trained complaint artists will have to prove that his price is the ceiling or lower. He must explain that his competitor is selling below the ceiling or that the ceiling in his competitor's store is lower because the competitor got caught with a low price when the ceiling was set last March. Things like that will seem mighty complicated to the woman who read in the papers that a ceiling meant one price and one price only. The competitor may not like that low price either. When his stock on that item runs out, he will be tempted to drop it. In most cases it will be tough enough to make a profit at the ceiling price—a cent or two below it on too many items would be suicide.

All manner of complaints will be common. There are more than 35,000,000 family customers and 1,700,000 retail outlets in this country. Every person in every store is a potential question raiser. War tension increases human irritation. Even Mrs. Mildmanner may protest when she can't find rubber pants for her baby or thinks there isn't enough wool in a blanket. Competitors, too, will be quick to complain that a rival has an advantage in lower ceiling prices or that he is chiseling or that a certain wholesaler is showing favoritism.

The retailer must develop a rhinoceros skin and a Pollyanna demeanor. He will be kicked around by both shopper and the investigator. According to a press conference held in New York, O.P.A. will set up thousands of local boards and warden posts, each with three volunteer workers and from three or four to several dozen price-control wardens. The wardens, in addition to investigating complaints, are

to help interpret the price regulations.

Washington officials say there is no cause for alarm about civilian snooping—that there will be no repetition of the Canadian system where housewives have been encouraged to act as a police force. It is to be hoped that O.P.A. can control its wardens, for no merchant wants hundreds of amateur Pinkertons spying on him just because he happens to be in business.

In addition to the O.P.A. wardens there are nearly 10,000 ration boards in the country with a constantly increasing personnel who do a certain amount of policing. Most cities have a staff of marketing inspectors, the Labor Department has a good-sized crew of price investigators, and competitors in the same line have their own private price sleuths. Then, too, women's consumer clubs have been preparing for this job a long time.

## Hang On to Your Hats

THE WIND is coming up!

"Does a freshly caught fish get another O.P.A. classification when it is packed in ice?"

Fresh vegetables are exempt. When frozen are they "substantially in the same form" or have they been "processed" and therefore no longer exempt? Thousands of similar hair line questions are on their way to Washington seeking answers. That is why estimates of enforcement staff run as high as 100,000 for O.P.A.

At any rate, business dislocations are expected to be so severe that R.F.C. may have its borrowing power upped \$5,000,-000,000 to bail out businesses caught in the squeeze between production costs and retail prices.

In all fairness to O.P.A. their local rationing boards have so far been permitted to use their own common sense. Those who have followed the rules laid down in Washington too closely have had the most trouble. An idea of their discretion is indicated by the old lady who bakes cakes and sells them for a living—it's her only means of livelihood, but she is single, operates in one room of a two-room apartment. Technically, sugar rationing would have taken away her livelihood but the board granted her plenty of sugar. The tire rationers have been sensible, too. In Pennsylvania the rationing administrator supplemented the O.P.A. rules with a set of his own instructions on who was eligible for tires and automobiles and made them stick.

Gasoline rationing has proved to be another story and may be a better indica-

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Rationing and price control compel constant checking of human wants and desires—lines like this will be common all over America as the Government strives to control its citizens' purchasing power

BLACK STAR

# Naked in a Gold Fish Bowl

**CONGRESSIONAL estimate of the qualities  
needed by a man who is invited to Washington  
to help his Government win the war places  
a thick skin ahead of a strong mind**

*"By the brand upon my shoulder, by the  
gall of clinging steel,  
By the welts the whips have left me, by  
the scars that never heal . . .  
I am paid in full for service . . ."*

**S**O SANG Kipling's "Galley Slave," and so, apparently, dollar-a-year men in this war are expected to sing. Willingness to take punishment is apparently the prime qualification required by men who give up their civilian jobs to come to Washington and lend their knowledge to the Government. This interesting test for service is brought out by the record of Donald Nelson's testimony before the Truman Committee. Here are a few excerpts:

**Nelson:** One thing which is still handicapping our activity is this constant criticism of dollar-a-year men, or business men who come down here to do this job. We are finding increasing difficulty in getting good men to come down here and subject themselves to criticism, to veiled allusions as to their dishonesty of purpose.

**Chairman:** I can't see why in the world a man refuses to come down here and work for the benefit of his country because some newspaper or some Senator or some Congressman is going to say something mean about him.

**Nelson:** In many cases the corporation itself gets maligned and hears constant references to concerns who want contracts sending men down here. These men are not engaged in contracting. They have nothing to do with contracting. Their job is clearly defined. The contracting is done by the armed services. . . . I have the job to do and I am finding it increasingly difficult.

**Chairman:** We are trying to help you get it done. We kick you around a little bit, but I think the kicks sometimes help a great deal.

**Nelson:** I am not talking about just criticism. I think anybody is able to take that.

**Chairman:** If it is unjust it doesn't amount to anything.

about it. That, sir, is the thing I wish to find a way around.

**Chairman:** I don't think there is any such attitude as that in the Congress. . . . I think business men ought to come here and they ought to make the same sort of sacrifice that all the rest of us are willing to make to win this war. If that sacrifice consists of having his hide taken off once in a while, he ought to be willing to stand it. And the bad ones ought to be sent home, if there are any bad ones.

**Nelson:** Certainly they should, but I haven't found that the Truman Committee has pointed out any bad ones yet. I think you haven't pointed out any to me. . . . I am only reporting to you that we are finding increasing difficulty in getting men to come down here.

**Chairman:** Is that because of criticism that comes out of the Truman Committee, or out of the Congress as a whole?

**Nelson:** Not out of the Truman Committee. Out of the Congress—from all directions. . . . We have some very good men down here but they are becoming badly overworked. The amount of work is tre-

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"We are trying to help you. We kick you around a little but I think the kicks help a great deal"



EWING GALLOWAY

Americans—like Junior at the end of the table—accept restraints willingly from those they know and trust. Rationing, to be effective, needs similar administration

## Rations: War Need or "Reform"?

By LAWRENCE SULLIVAN

SOME 10,000 local rationing boards, and 25,000 federal employees in O.P.A. and O.D.T. form the shock-troops of the new federal rationing administrative machine. About 130,000,000 ration cards already have been issued for sugar and gasoline. Tires and rubber are on the shelf. Fuel-oil, coal, batteries and lubricants soon will pass under control systems. In theory, prices are frozen, while the cost factors of wages, farm commodities and taxes are unanchored. Consumer credit is regulated and policed by recent Federal Reserve orders. O.P.A. Administrator Leon Henderson, already overburdened in his new role as General Manager of America, foresees early rationing of perhaps 20 additional daily consumption items—fats and oils, wool, leather,

soap, coffee, tea, perhaps meats, fish, potatoes and beans. There will be mountains of questionnaires, registration forms, inventory reports and "distribution affidavits."

These are the "administrative imperatives" of managed economy under the lingering political forms of withering free enterprise. It will be the old N.R.A. multiplied by 20 and spiced with the compelling authority of war powers.

Rationing combines with price-control, and—coming soon—domestic transportation priorities, to attempt a wholly new system of distribution in the United States—the most sweeping and sudden changeover ever assayed in a going high-gearred industrial economic organization.

Up to this point, the impact of war on business has been felt principally in the basic production lines—in priorities, allocations, conversion and expansion. But, the theoretical concepts of totalitarian economy are now extended to the next great layer of business activity—consumer goods processing and wholesale and retail distribution. Sharp changes in business methods and difficult adjustments to executive-order government are inescapable. Business managers face the choice of keeping ahead of the new order or being ground beneath its remorseless, impersonal wheels.

Confusions and conflicts appear inevitable. Four days after the general price-fixing order, for example, the Department of Agriculture announced the

new loan values on 1942 wheat. The figure was set at \$1.14 a bushel on the farm, an increase of 16 cents a bushel over the 1941 loan rate. This was the first price increase decreed by Government after the Government's blanket order forbidding all price increases. The new loans had been fixed at 85 per cent of parity. With wheat then selling at Chicago for \$1.18 a bushel, or three cents more than the 1941 loan value, the new peg was set at \$1.32, Chicago.

### The ceiling doesn't hold

THE second price advance by government decree was announced on May 13, when the Department of Agriculture increased its buying quotation on dry skim milk by three-fourths of a cent a pound, for lend-lease requirements. Within two weeks of the general price-

freezing order, therefore, Government itself enforced two price advances in basic foods. This means higher living costs, then higher wages—and that means higher "parity."

This curious situation highlights a fundamental dislocation in the whole scheme of price controls. Leon Henderson avows his determination to extinguish the consuming fire of inflation. He has on his fireman's suit and the chief's hat. He is waving the hose in all directions. But he doesn't like to turn on the water. As the *New York Times* observed editorially concerning the general price-freezing order:

The President's anti-inflation program, as announced to Congress, and his radio address, combine to form an outlook that is profoundly disheartening. They mean that the Administration still refuses to take measures that are essential if inflation is to be prevented, while it insists on some

measures that are all but irrelevant to the inflation danger and, on the other hand, measures that involve a maze of unnecessary authoritarian controls which are calculated to discourage, hamstring, and disrupt the processes of production and distribution.

In the same vein, Prof. John M. Clark, of Columbia University, declared before the Academy of Political Science recently:

While one price is being controlled, ten others rise. Price ceilings cannot hold prices stable against unlimited increase in purchasing power; and no mechanism can hold them stable in the face of the combination of a general wage increase and a farm policy based on an elastic parity which acts as an escalator.

Indeed, few city folks realize how fast "parity" itself is advancing. They think of parity as a set price. It is, in fact, only an equation expressing a theoretical relationship between the selling price of farm products and the "city price" of farm consumption items. Parity is that level of wheat prices, for example, which will buy as many nails per bushel of wheat in 1943 as in 1914. But, as the price of nails goes up with city wages, parity goes up, too. By this process, the official parity price of wheat, as proclaimed by the Department of Agriculture, advanced from \$1.132 a bushel on the farm in December, 1940, to \$1.325 in April, 1942. In the same period, the official parity price for corn rose from 82.2 cents to 96.9 cents.

Thus, parity is not a stabilization factor in any sense; it is avowedly a rubber yardstick, specifically designed as a mechanism to advance farm prices step by step with city prices. Economically it is a planned merry-go-round. Yet it is this floating buoy in the billowing seas of war that Henderson calls his rock, upon which to anchor his new free-wheeling system of national price controls.

### New scares for business

RATIONING is the other side of the price-control shield. In this vast area the basic policies of O.P.A. never have been clearly defined. Reading the record, one may say only that a guiding maxim is—"Scare 'em to death!" When, for example, the production of typewriters and business machines was restricted, existing dealer stocks were frozen, much as in automobiles. Overnight the impression got abroad that there was no use trying to get a new typewriter. People stopped calling even for rental machines. So completely was the trade frozen by fright that Henderson at length issued a special declaration (No. 36644-PM 3204, May 7, 1942) setting forth that

any person or business needing a typewriter is entitled to rent a used office machine or new portable directly from any dealer. . . . This announcement is made to clear up misunderstandings which have de-



FECHNER-NESMITH

Only men, carefully selected and thoroughly trained are permitted to run a railroad. Even then strict discipline enforces their attention to specific details. But the complicated job of rationing has been turned over to men who are not only untrained but seem inclined to use their authority for purposes irrelevant to rationing or the public good

veloped since the general typewriter rationing went into effect on April 20.

This revealing sequence of events offers an instructive insight into the Washington picture today. What is wrong when so powerful and all-embracing an agency as O.P.A. must issue a special order specifically and categorically *undoing* a thing which it never did in the first place? The incident illustrates the dangers of government by fear.

Mass psychology, as any business man well knows, is a delicate flower. One simply does not "hit it on the nose" with a blanket order compounded half of panic and half of confusion, and then "spell out the necessary procedures" after a deep breath. It took American business almost a quarter-century to make the automobile a household necessity; ten years to make automatic refrigeration and oil burners standard equipment in our homes. Might it be possible for Mr. Henderson, by the sheer authority of hasty and ill-considered executive orders, to undo all this work in six months? Many people, perhaps, could get along without typewriters; some could manage without automobiles; others could give up electric toasters as a war measure—and perhaps never want them again. If Government presumes to manage this kind of lightning, it must at least handle it carefully.

#### Reduced living standards

BY SUCCESSIVE campaigns of fear, it might be possible, in theory, to reduce America to the living standard of adobe houses, instead of brick and shingles. But would that win the war? It would demonstrate, perhaps, the most advanced theories of collectivist regimentation; but what would be the net contribution to the *full* mobilization of America's industrial might and military striking power?

There doubtless arises in some Washington circles a keen personal satisfaction in watching millions of robust free men stand in line like Dalmatian peasants, waiting prayerfully for their sugar books or gasoline cards. But is any citizen thus really stimulated to "that last full measure of devotion" which was the guiding star of Abraham Lincoln's noble leadership? Have we forgotten the wise counsel of Woodrow Wilson in the World War I.

There is no power on earth equal to the determined voluntary cooperation of a free people.

On several occasions, the mere discussion of a difficult supply problem in Washington has precipitated a nationwide hoarding movement, which in turn presented a real crisis. This was the case successively in rubber, sugar,

(Continued on page 84)

★ ★ ★



KAUFMANN & FABRY CO.

John H. Morse presenting A.T.A.E. Award to  
Robert A. Jones

## A.T.A.E. Honors Trade Group No. 1

The Farm Equipment Institute has won the 1941 Annual Award of Merit conferred by the American Trade Association Executives. This highest laurel for achievement in trade association work was presented at Chicago during the A.T.A.E.'s semi-annual meeting by John H. Morse of the U. S. Department of Commerce, speaking for his chief, Secretary Jesse Jones, who was chairman of the Jury of Award. In his citation, Mr. Morse said:

This first prize has been won by the Farm Equipment Institute for its aid to its industry and the war effort, in making an extensive survey of the need for critical materials essential to the production of farm machinery and equipment. The two-fold effect of this project was the securing of an overall preference rating from what is now the War Production Board for the industry's requirements in materials, and the assurance that the nation's food program would not be interrupted by a lack of requisite tools and equipment for the cultivation of farm crops.

Eight associations were awarded certificates of honorable mention for outstanding work during the last year. They were:

American Lighting Equipment Association for its standardization and trade promotion of lighting fixtures.

American Meat Institute for its program of education on the nutritive value and economy of meat.

American Surgical Trade Association for originating and carrying through a training course for salesmen in an industry of varied and highly specialized equipment and supplies.

Canton (O.) Retail Merchants Board for a particularly effective local campaign to sell defense bonds and stamps.

Institute of Distribution for its continuing, well planned and coordinated public relations program, and for its "Retailers Manual of Taxes and Regulations."

National Board of Fire Underwriters for the manner in which it keyed its educational work to the war emergency.

National Electrical Manufacturers Association for its development of statistical information for the trade.

Ohio Association of Retail Lumber Dealers for focusing the attention of Ohio farmers on the need for preventing the "erosion" of farm buildings.

★ ★ ★

# Beyond Compromise

"**M**Y WIFE likes the seashore. I like the mountains. So we've compromised and we are going to the seashore."

It is a venerable joke but still good because it is ridiculous and yet not far from fact.

"Compromise" is what the semantics professors call a good word. It's popular among politicians and writers who try to say something about the labor controversy to which nobody can object. When differences can be compromised without sacrificing basic principles, that is admirable. When they result from some patched-up expedient, that may be worse than no settlement. Such a formula of expediency is the counsel:

We're at war and there's no time to argue. Give the union leaders anything that will shut them up now, and it will all come out in the wash after the war is over.

James Russell Lowell said that a compromise makes a good umbrella but a poor roof. In labor relations we have been using compromise umbrellas for ten years. We need to get under a roof of principle.

There is no longer room for compromise in that area of labor controversy where the searchlight now shines. A compromise implies mutual concessions involving two conditions:

First, each side remains in possession of part of the disputed ground. When all the contested ground is occupied by one side, or even a strategic zone from which it naturally follows that all the remainder will soon be taken as a matter of course, that is not a compromise.

Second, each side abandons, or at least seems to abandon, further pretensions to ground held by the other. This is another way of saying that a compromise to be in truth a compromise, and to be worth while, settles something.

With this definition in mind, note the present position of contending unions and management. Current settlements of disputes—generally through government agency in one form or another—satisfy neither condition of a compromise. The unions almost invariably obtain some form of contract which is either a direct monopoly of labor or else represents a

camel's nose in the tent which inevitably leads to such a monopoly. There is not even a pretense by the unions that these "compromises" are final. Nothing but the closed shop with check-off is final with the union bosses.

The first two steps in labor union negotiation are within the zone of compromise. They are:

**1. Union Recognition:** The union obtains two or more members among a company's employees and wins from management the right to represent these members in collective bargaining.

**2. Exclusive Bargaining Rights:** Advancing a step farther, the union negotiates or forces from the employer a contract providing that it alone shall be the bargaining agent for all employees in this unit, non-members as well as members. This blocks any competition from another union and puts the bargaining agent in a position to say to non-unionists and rival unionists: "You are enjoying wages and working conditions that we obtained for you. Now, join up and pay your way. We're going to get more for you." It is a step toward monopoly but not an irretrievable step.

So far, unionization and collective bargaining are compatible with the Open Shop, in which union and non-union men work side by side without discrimination. Union and management may bargain and compromise on an equality. Unorganized men still have rights unimpaired by union status. But from here on, labor relations pass beyond the compromise zone, through the following steps:

**3. Union Preferential Shop:** The employer agrees to give union members preference in hiring. Generally this means that he will hire non-union men only if and when not enough qualified union members are available. This, of course, is clearly expressed discrimination against non-unionists. It tends to unionize the organization completely, and in time will accomplish just that, depending only on the rate of labor turnover in the employing enterprise. Employers who let down this bar abandon hope of further compromise in any realistic sense.

**4. Union Security Shop, or Maintenance of Membership Shop:** The employer undertakes to help the union chiefs hold their members and collect the dues, by agreeing to fire any member who doesn't remain "in good standing." Obviously, this clause actually may give to leaders of the dominant faction in a union the power to proscribe recalcitrants for other sins as well as non-payment of dues. It gives them a weapon that, in due course, assures an airtight closed shop. When there are two groups of men—union and non-union—in a plant and we have a rule that none of the union group can renege, while all the force of persuasion and

(Continued on page 75)



# What's Happening to Salesmen?

By FRED DeARMOND

A SALES FORCE is an asset that many companies stand to lose because of the war. Others are finding ways to conserve this asset until peace comes. Here are some of the methods

"**G**HOST" professions and trades as well as "ghost towns" follow in the wake of war.

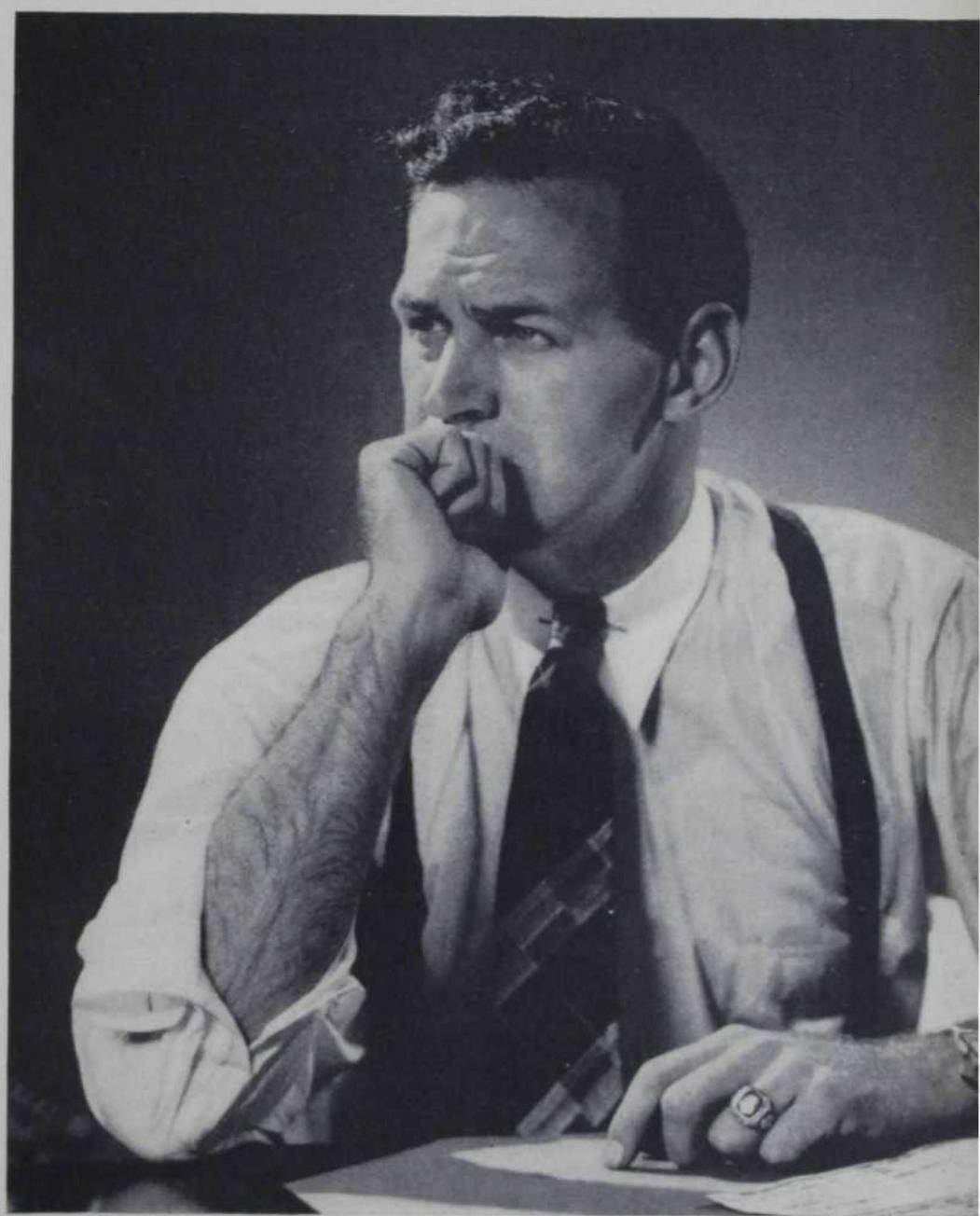
Most depressed of all major callings in this war is the salesman's. When a company or an industry converts to war business, its production workers, technicians and office employees are converted at the same time, but the change-over is far more difficult for salesmen. And difficult for their employers. When production for civilians stops, it isn't long until selling to civilians must stop. The salesmen can't all be told to pack up their kits and start a door-to-door drive for business among the Washington offices.

In some fields the blight on salesmanship is like a veritable job black-out. With automobile salesmen it was sudden and devastating. In some other fields involving "priorities" materials it was scarcely less so.

On December 7 one large company that sells an important appliance item house to house had 3,600 salesmen. By the end of April this number had shrunk to 500 and will probably go still lower.

Manufacturers forced to divert from two-thirds to three-fourths of their salesmen to other work are by no means unusual.

In the St. Louis area, inroads made by conversion to war production were so serious that the Sales Managers Bureau of the St. Louis Chamber of Commerce organized a special Job Placement Committee to find other work for idle sample case carriers. With the co-operation of the U. S. Employment Service, this committee is registering salesmen who have been, or expect shortly to be, deprived by the war of their means of a livelihood. Most of these men are being utilized in various forms of war work.



BLACK STAR

One of the greatest tragedies in the past six months is the long line of salesmen who have been released and find themselves without income

Business is keenly aware of what this loss of sales man-power means, and fully resolved to do everything in reason to lighten the blow as much as possible. On the human side, here are all these thousands of men suddenly uprooted, many of them at an age when they cannot well be fitted into those mechanical trades busily turning out munitions of war.

"One of the greatest tragedies in the past six months is the long line of 'blue' salesmen who have been released from their positions and find themselves completely without income," is the way one national sales executive pictures the situation.

Turning to the commercial aspect, we see that the companies' long-run interests are affected almost as much

as the men's personal fortunes. Any business with a good sales force relies heavily on its men. It has invested large capital in them. How they stack up as a dollars and cents asset was illustrated by the head of one firm who had been showing a visitor around this plant.

"Two things I can't show you (he said to the visitor), and they are my greatest pride. One is our customers out there in the 20 states where we have distribution. The other is our 25 salesmen at work in the field. We estimate the good will value of this business at \$400,000. Something like half of that amount I believe is represented by our sales organization. That gives you an idea of what each of those men is worth to us."

NATION'S BUSINESS asked 32 representative companies with national or regional distribution just how badly this conversion to war work has dealt with their distributive organizations and what they are doing to hold their sales staffs together. Information received from these companies shows that they are working along these three lines:

1. Switching salesmen to service work with the trade.
2. Placing them in non-selling jobs with the company or outside, principally in war work.
3. Assisting dealers to take on new lines until they can go back to selling in usual quantities the present "shortage" items.

Diversion to service work with customers is the most important of these adjustments. It assumes a variety of forms.

Henry Disston & Sons, tool makers, still has all the salesmen in its industrial organization out covering their territories. But the men are devoting most of their time to the Disston Tool Conservation Control Plan. They are serving war production by showing factory engineers, superintendents, foremen and workers how to take care of their tools to get the most out of them. Example:

#### Educational plans

SHELL stock is cut on hack saw machines. If a novice workman uses the machine improperly or applies the wrong hack saw blade, the blade is destroyed and the shell stock as well. The Disston man comes along with an educational plan that averts these losses.

International Harvester Company salesmen are organizing local scrap collection drives by farmers. They lend their services in the agreeable and important duty of teaching women to operate tractors and other modern farm equipment.

Today the whole world of salesmanship is being turned upside down in a regular Alice in Wonderland reversal of the regular order that outdates every sales manual and pep sermon. Here's just one of many paradoxes. Some salesmen now visit their customers to buy rather than to sell. When customers try to buy from them, the salesmen may suggest substitutes not on the critical list.

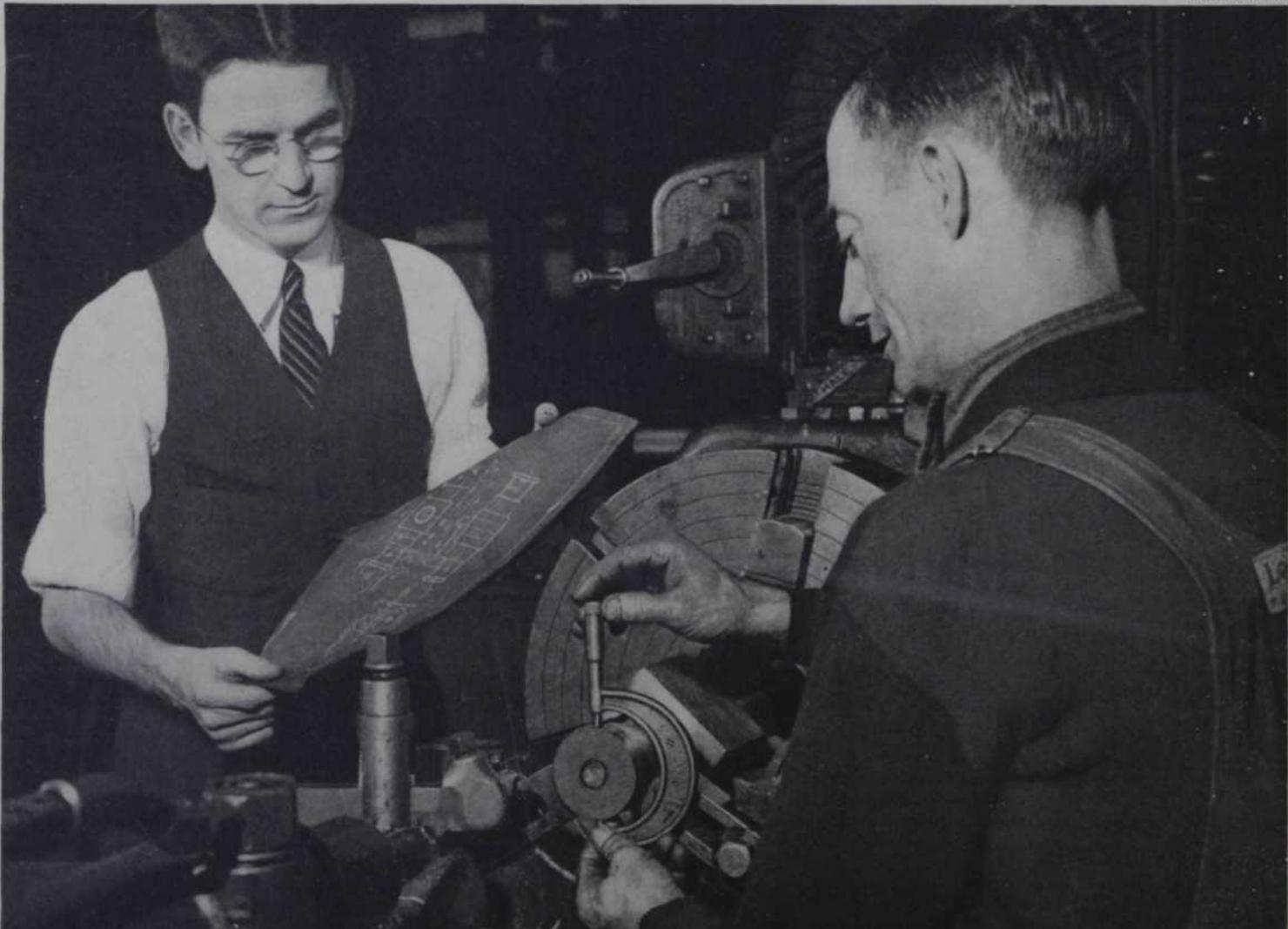
Heresies like suggesting substitutes or selling second-hand goods to customers able to pay for new ordinarily would do violence to the most elemental instincts of any aggressive, sales-minded peddler. Imagine the wry face of a tire dealer selling to a prosperous, sure-pay customer two used tires at \$10 each when he knows he could just as well collect for new, six-ply, top quality tires with a high guaranteed mileage—if he had them to sell. But he remembers that this is war and tries not to be too surprised or shocked at anything that happens.

The International Nickel Company utilizes the energies of its sales force in directing the flow of its products to essential war requirements, nickel being one of the critical war materials.

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Many men have gone from sales to service, showing former customers how to use tools, how to get war orders, "expediting"

EWING GALLOWAY



# Let's Get It Done!

By PAUL HODGES

APRIL 27, 1942! World War II approaches its critical stage. American troops and warships stream from our shores to take up fighting positions all over the world. Taxes increase, prices are fixed, commodities rationed. Men between the ages of 45 and 65 register for service.

In this most desperate of all wars, say the experts, the hope of the United Nations rests upon the capacity and genius of the American war production machine—can it reach the incredible new goals fixed by the High Command?

In that grim atmosphere the nation's leading industrialists and businessmen met in Chicago for the Thirtieth Annual Meeting of the Chamber of Commerce of the United States. Confidently they resolved that the job could and would be done, and adopted as the rallying cry of the meeting:

"LET'S GET IT DONE!"

Probably never before, according to veteran Chamber officials, has an annual meeting drawn so large an attendance or created so much general interest. Every session had its overflow audience.

As a working newspaperman I have attended a number of national conventions in Chicago, most of them political. But this was, to me, a new and strange type of assembly.

Here were no bands or parades, no pretty girls waving banners. Florid oratory was conspicuously absent. The business of the meeting was transacted in the open. No little groups were hidden away in private rooms to decide what the delegates would do. Those who attended the Chamber meeting brought as their credentials managerial ability, rank and genius in the most powerful production machine the world has ever developed.

Not "What is popular?" but "How can we get the job done in the shortest possible time?" was the question these delegates asked themselves. Getting a big job done quickly, the observer reflected, calls for hard work, sweat, sacrifice. Men who are chiefly concerned

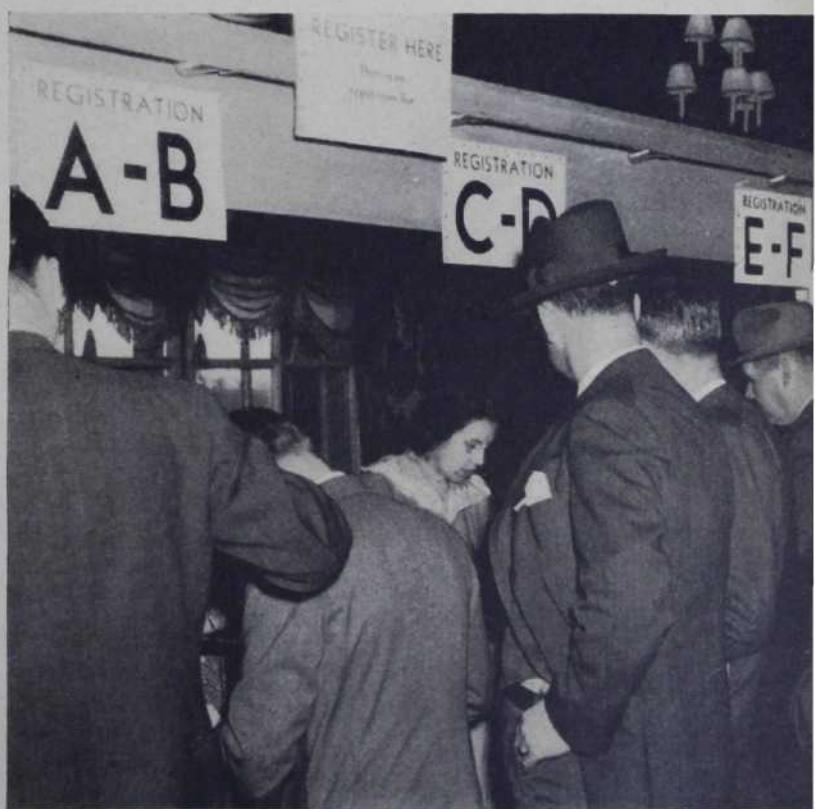
with what is popular cannot think or talk in such terms.

Here were the men of machine shops and factories; men from farms and financial centers; men who know and operate the distribution system, transportation, mines, the utilities; men of the oil industry, construction, shipping and all the other ingredients of the American economic formula.

Men who cannot indulge personally in the luxuries of the five-day week and the eight-hour day, and who still cling to the droll belief that light may be obtained from midnight oil.

Look at them as they step up to the registration desk.

That slender little man over there with the graying hair and the glasses is a storekeeper from a small Iowa



From every section of the land came 2,500 delegates to the Chamber's annual meeting. They checked in at this Registration Desk on the mezzanine floor of Hotel Stevens and received identification badges indicating their names and home cities.



WRIGHT-MCKINNEY  
**Two presidents**—1912 and 1942. Shown at left is Eric A. Johnston of Spokane, Washington, the newly-elected president of the National Chamber. At right is Harry A. Wheeler of Chicago, first president of the Chamber, who served from 1912 to 1914.

WRIGHT-MCKINNEY  
**Two busy men** at the annual meeting were retiring President Albert W. Hawkes (left) and Secretary Ralph Bradford of the National Chamber. Here they are shown at the presiding officer's desk at the opening session.

**Eric A. Johnston** of Spokane, manufacturer of electrical goods, is the new president of the Chamber of Commerce of the United States, succeeding Albert W. Hawkes of Kearny, N.J.

Mr. Johnston has been active in the affairs of the National Chamber for many years, having served as a member of the Board of Directors continuously since 1933, and as vice president last year.

His birthplace was Washington, D. C., but he has lived in the West since he was two years old. Educated

in the Spokane schools, Mr. Johnston studied law at the University of Washington and received his law degree just before entering the Marine Corps during World War I. He was selected by Dr. Henry Suzzallo, then president of the University of Washington, in response to a request by the Marine Corps for honor students who could qualify for a commission. Mr. Johnston entered the Marines as a second lieutenant and retired five years later as a captain, after service in America and the Orient.

Returning to Spokane in 1923, Mr. Johnston bought one of the best known and oldest electrical manufacturing and wholesale companies, and changed its name to the Brown-Johnston Company. This firm rapidly expanded and was later reorganized into two separate organizations, the Columbia Electric & Manufacturing Company, which does manufacturing exclusively, and the Brown-Johnston Company, interested in merchandising only.

Mr. Johnston is president of both concerns.

In 1931 Mr. Johnston was elected president of the Spokane Chamber of Commerce, in which post he served two years. In 1933 he was chosen as chairman of the Washington State Commission which administered relief to the unemployed.

Mr. Johnston is serving his second six-year term as trustee of Whitman College and, since 1937, he has been a member of the Washington State Progress Commission.

He is also a director of the Seattle-First National Bank, the New World Life Insurance Company, the Spokane & Eastern Trust Company and has many other affiliations.

town; hasn't missed a Chamber meeting in seven years. The man to whom he is talking is a leader in steel. Each has a son in the Army. They are talking about how long it takes their boys' letters to reach home from camp. The heavy-set man at the end of the desk is a captain in the automotive industry. He started as a mechanic. Here's a New York banker, who started out on an Indiana farm.

Lift the curtain of the years in the case of most of these men and you'll find an humble beginning. Which reminds us of a recent survey that showed that more than 100 of the presidents of the country's biggest railroads came up the line from jobs as telegraphers, trackwalkers and the like; that the presidents of all the Bell Telephone Companies began at the bottom at no more than \$20 a week, that more than half of New York's bankers came from the Middle West and more than half of these from the farm.

Listen to their conversation as they gather in little groups outside the meeting rooms. War, production, machines, work—these words recur again and again. Now and then the talk makes little side excursions, and you discover that, despite the bludgeonings of recent years and the dismal necessities of world-wide war, these men still believe that opportunity is far from dead, that there are many more frontiers.

One reason we are fighting this war with everything we've got, you hear them say, is to preserve for coming generations the American system of free enterprise which permitted these men to rise from the bottom to the top.

Are these, then, the ogres of Big Business, the Economic Royalists from whom the politicians must pro-

TECT a helpless people—the men who produce too much? If they are the Royalists, then the Crown Princes must be out walking the tracks, working on the farms, or serving as buck privates at \$21 a month in some distant land.

You reflect, however, that something profound has happened. It's been a long time since anyone has talked about Economic Royalists. Ability, efficiency, initiative, capacity for hard work, genius to build and create—these are coming into their own again.

The Government is asking these men to produce not less, but more; to work harder, take bigger chances. Upon them rests the responsibility for producing the machines—the guns, ships, tanks and planes—that the armed forces must have quickly to win the war.

"Win it? Of course we'll win it," a prominent engineer remarked. "But, while we're winning it, let's don't forget what we are fighting for—the American system of economic and political freedom which we've built up over 150 years of struggle and hard work."

Sen. Millard E. Tydings of Maryland evoked one of



**Aviation's role** in the war was discussed at the Organization Night dinner by Captain Edward V. Rickenbacker (left), shown here with Russell S. Rhodes, president, National Association of Commercial Organization Secretaries.



**"Without a Song"** no meeting would be complete. Here are girls of the Purdue Glee Club, who opened one of the general sessions of the Chamber's annual meeting by singing patriotic airs.

the most rousing cheers accorded any speaker at the meeting, by expressing much the same sentiment:

We shall of course give up, you and I and all the people of America, every right, every privilege, every habit which we may have enjoyed and which we are asked to dispense with in order that this war may be short and human life may be saved.

But, for my part, I shall give them up only temporarily! I want every one of them back the very first moment circumstances will permit.

It must have occurred to most of the thousands of delegates, councillors and visitors that the Chamber's annual meeting was itself an expression of one of the most vital freedoms we are fighting to save:

The freedom of assembly.

It is the foundation upon which many of our other freedoms rest. Freedom of speech, for instance. What good is freedom of speech if the speaker cannot assemble an audience? Or the right of petition, for another example. The "resolves" of a meeting such as this are in substance petitions. They carry weight because they represent the deliberate judgment of many men assembled to speak their minds, compose their

differences and agree on a set of principles bearing upon the issues presented.

The Chamber sessions were "open to the public." As one member put it, "we believe in open covenants, openly arrived at." Obviously the public was well aware that the meetings were open to all. Never before in recent years have so many visitors attended.

Why, in these busy times, was the attendance so large? The answer, I believe, lies in the complexities and bewilderments of the times, plus the fact that the problems of business and industry are now the problems of every one of us. The winning of the war and the future of all of us hangs on the ability of business to do its job.

No one could fail to have been impressed during the four-day meeting by the sense of comradeship between the men of the production line and the men of the armed forces. This was strikingly evidenced in many ways.

There was, for instance, the air almost of eagerness with which the men between the ages of 45 and 65 registered for Selective Service at special government booths set up for that purpose. They made little jokes about it:

"You'll have to get that midriff section down to Army size."

But there was also a note of nostalgia, because many of these men had seen service in World War I, and have sons in this one.

And the only gala occasion was on Wednesday night, April 29, when the Army, Navy, Marine Corps and Coast Guard staged a spectacular patriotic show for the delegates and their guests. It was a thrilling experience.

It is doubtful whether that huge room ever witnessed a more reverent silence than when the colors were pre-

sented by each branch of the service in turn, or more enthusiastic singing than when the assembled business men and industrialists joined the boys in uniform in singing patriotic airs.

Before the patriotic demonstration in the ballroom, more than 1,000 of the delegates trooped to the Stevens Exhibition Hall for a dinner of Army chow, served in the same quantities and in precisely the same way the same food was being served that night in all Army camps in the Chicago area.

Around the hall the various



**China will never give up**, said Dr. Hu Shih (left), Chinese ambassador to the United States. At right, Thomas J. Watson, president, International Business Machines Corporation.

**Need for unity** was stressed by Benjamin H. Namm, president, A. I. Namm & Son, Brooklyn, N. Y.



**Getting the job done** was the subject of many informal group discussions like this one in a Hotel Stevens corridor.

services had placed exhibits of guns, engines, self-sealing gasoline tanks, radio devices and many other tools of war. It was heart-warming to watch the men who produce those things talking earnestly and enthusiastically with the boys who will use them—heads bent close together, technical terms spilling from many tongues.

There was, too, a profound sense of unity and comradeship among the business men themselves, and the need for such unity among all groups—labor, management and government—was frequently stressed. The retiring Chamber president, Albert W. Hawkes, put it this way:

Unity cannot come in war-time from a scramble for money, place and power. That creates friction and conflict among ourselves. What we want is unity in fighting our enemies in this war. Unity in production that will bring victory for free men with the least loss of men and time.

The way is not through increased power or profit for any group. The way is not through political trickery or chicanery. The way is not through proving labor unpatriotic and recalcitrant—not through indicting and smearing those in ownership and management who are expected to perform. The way to victory is through shoulder-to-shoulder work in a common cause with a common determination and a common understanding.

We must believe in one another. Every group in our society and every individual must cease forthwith trying to get an advantage over the other as a result of this difficult, crucial time in our history.

An outstanding feature was the taking of a national inventory on war production and preparedness to date. It was by all odds the most complete such report yet offered the American people, and although exact figures were necessarily withheld in some cases, the general picture was well-rounded and distinctly encouraging.

Nine high executives of as many essential industries provided the material for the report. Their individual talks were broadcast over a nation-wide hook-up. Here are summaries:

**AIRCRAFT:** Production is up to all government schedules, according to Col. John Jouett, president, Aeronautical Chamber of Commerce, and in March of this year was 70 per cent greater than in the month preceding Pearl Harbor. Planes



*Study in earnestness.* Secretary of Commerce Jesse H. Jones (left) and President Hawkes.

are being sent to world fronts in ever-increasing numbers, and at present this flow is "surprisingly large."

**SHIPBUILDING:** Sea-going naval vessels are being launched and delivered from three months to one year ahead of schedule, according to H. Gerrish Smith, president, National Council of American Shipbuilders. Merchant ship program also is ahead of scheduled delivery dates, and launchings are at rate of two a day.

Pace that would be needed to complete the proposed 8,000,000 tons of merchant shipping in 1942 has not yet been reached, however.



Ellsworth C. Alvord

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## Financing the War Effort

THE group meeting on federal finance and taxes featured a panel discussion on such questions as the importance of adequate revenues to finance the war, the inadequacy of the Treasury war tax program, proper use of taxation to control inflation, and needed changes in federal income and excess profits tax laws.

Participating in the panel were Ellsworth C. Alvord, Washington, D. C., attorney; Fred H. Clausen, president of the Van Brunt Manufacturing Co. of Horicon, Wis.; Prof. Fred R. Fairchild of Yale University; Henry B. Fernald of Loomis,

Suffern and Fernald, New York; and Roy C. Osgood, vice president, First National Bank, Chicago.

Prof. Fairchild proposed means of bridging the gap between anticipated expenditures of \$73,000,000,000 for the 1943 fiscal year and revenues estimated at only \$17,000,000,000. Repeal of the capital stock tax and the declared-value excess profits tax was urged by Mr. Fernald. Normal corporation income taxes should be kept low enough to leave corporations sufficient working capital and a margin for dividends said Mr. Clausen.

## Price Controls and Rationing

PRICE controls and their effect on business were the principal subjects of the round-table on "Adjusting Retailing and Wholesaling to War-time Needs."

Adequate price control is essential in war, but any attempt to stop prices from sky-rocketing will be retarded by omission of important elements of cost from effective regulation, Bernard F. McLain, general manager, Hart Furniture Company of Dallas, Texas, said.

Business in Canada has forged ahead in volume above last year's, despite war control measures the group was told by

Henry W. Morgan, president of Henry Morgan & Co., Ltd., of Montreal.

C. L. Christianson of the Office of Price Administration analyzed the new price order. Current distribution problems were discussed by a panel consisting of Roy Ozanne, R. J. Ozanne Associates, Chicago; Ben Regan, Bureau of Industrial Conservation, War Production Board; Lynn S. Snow, Snow Brothers, Oak Park, Ill.; Charles J. Whipple, president, Hibbard, Spencer, Bartlett & Co., Chicago; and Ira K. Young, vice president, Crew-Beggs Dry Goods Co., Pueblo, Col.



Bernard F. McLain

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## Insurance Faces New Problems

COMPLEXITIES arising out of the war were discussed at the insurance group luncheon, at which John L. Train, president of the Utica Mutual Insurance Co., Utica, N. Y., presided.

Industry's new insurance problems were described by Reginald B. Fleming, insurance manager, Commonwealth & Southern Corporation, who cited a long list of questions for which he said early answers were needed. Confusion exists among insurance companies, brokers and manufacturers, he said, due in large part to confusion among government officials

who establish insurance requirements and then change them repeatedly.

Optimism as to the future of insurance was expressed by Paul F. Jones, director of insurance, State of Illinois, and Dr. S. S. Huebner, professor of insurance, University of Pennsylvania. Awards in the Chamber's fire waste prevention contest were presented by R. P. Barbour, United States manager, Northern Assurance Co., Ltd., New York, and in the health contest by Dr. Henry F. Vaughn, dean of the School of Public Health, University of Michigan.



R. P. Barbour

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## Speeding War Production

PROBLEMS of labor, of conversion of civilian industry to war purposes, of getting along without the use of materials in which there are shortages—these and other subjects were probed at a group session at which Roy C. Ingersoll, president, Ingersoll Steel and Disc Division, Borg-Warner Corporation, presided.

How the Westinghouse Electric & Manufacturing Co., with 82,000 workers, has progressed with formation of labor-management production committees was related by W. G. Marshall, vice president of Westinghouse. Samuel B. Pettingill, former Indiana congressman, criticized the tendency on the part of labor leaders to concentrate power in their own hands and pointed out the difficulties that will

face soldiers, after the war, when they seek re-employment in plants operating under the closed shop.

Numerous instances of successful conversion in plants which were believed to have been poorly adapted to production of war goods were cited by C. A. Woodruff, chief of the conversion section, War Production Board. And two officials of Sears, Roebuck & Co.—T. V. Hauser, vice president, and George Richter—discussed steps taken to re-design civilian products to eliminate the use of critical materials.

Some changes were described as being for the duration only while others represent permanent improvements in products. Research and engineering development have been stimulated by the war.



Samuel B. Pettingill

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## The Future of Foreign Trade

**W**HAT will be the outlook for foreign trade when the war is over? A number of speakers discussed this question at a Foreign Trade group session at which James W. Spangler, vice president, Seattle First National Bank, presided.

Col. R. B. Lord, assistant director, Board of Economic Warfare, said the Board already was setting up an organization which would be equipped to go into areas recaptured and occupied by United Nations fighting forces, and re-establish local administration and trade.

Hemispheric solidarity was discussed

by W. D. Jones, chairman of the board, International Business Machines Company, Ltd., Toronto, Canada, and J. B. Thomas, United States representative, Argentine Trade Promotion Corporation.

Western hemisphere nations have everything to gain by establishing closer trade relations based on equitable tariffs, Mr. Jones said, and Latin-Americans already are thinking in hemispheric terms. Mr. Thomas predicted that regardless of the war's outcome, the world probably will be divided into closely-knit economic blocs.



James W. Spangler

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## Taking Stock of Natural Resources

**T**HE demands of war upon oil, coal and metals were taken up in the group meeting on natural resources.

John Howard Marshall, chief counsel for the Office of Petroleum Coordinator, said the oil industry is experiencing changes in demand and dislocations which now occur rapidly. Gasoline demand is dropping even without rationing, he said. Plans for instituting rationing along the Atlantic Seaboard were discussed by Frederick Nymeyer of the fuel rationing branch, Office of Price Administrator.

About 570,000,000 tons of bituminous

coal and about 60,000,000 tons of anthracite will be needed this year, H. A. Gray, acting director of the Office of Solid Fuels Coordination, estimated.

The question of "Who Has What" in strategic metals was discussed by C. H. Burgess of the metals section, Office of Price Administrator. He emphasized the importance of building stock piles, adding that the United States is blessed with great deposits of iron ore and coking coal, and in 1941 produced 83,000,000 tons of steel. The present expansion program will increase that figure, he said.



H. A. Gray

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## Controlling Agricultural Marketing

**F**EDERAL controls on agricultural marketing were discussed at the Agricultural Round Table by representatives of organized farmers, the Government and distributors of grain and cotton.

Philip R. O'Brien, president of the Chicago Board of Trade, said the most common reason given for price controls was that a short supply in the face of heavy demand might unduly increase prices. Yet, so far as grain is concerned, he said, there are no scarcities.

W. J. Britton, Memphis cotton dealer, also expressed hope that the Government

will continue to permit continued existence and service of the highly complicated cotton marketing machinery.

The Government's sales policy in connection with government-owned commodities was discussed by J. B. Hutson, president of the Federal Commodity Credit Corporation.

Merschel D. Newsom, master of the Indiana State Grange, said the National Grange believes that attempts to control prices by creating shortages in the market or by piling up surplus commodities under government loan are unsound.



J. B. Hutson

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## Mobilizing the Nation's Transportation

**O**UTSTANDING questions in the transportation field were asked and answered by shippers and spokesmen for all branches of transportation at a group meeting at which Chamber Director Arthur M. Hill presided. Joseph B. Eastman, Director of Defense Transportation, said the carriers thus far have been able to meet the extraordinary demands upon them, but he warned that "ahead lies a path beset with trouble."

How construction of war industries and Army camps in outlying areas has added to the problems of the bus industry was explained by Mr. Hill. The trucking industry, reported H. D. Horton, president, Horton Motor Lines, Charlotte, N. C., has

been hard hit by scarcity of new equipment and materials but is ready to do its part. Alex W. Dann, president, Union Barge Line Corporation, Pittsburgh said practically all competent towboats and barges available are being used in transportation on the Mississippi and Ohio Rivers.

Other phases of transportation were discussed by Capt. Edward V. Rickenbacker, president, Eastern Air Lines, Inc.; Robert Henry, director of Public Relations, Association of American Railroads; T. C. Burwell, vice president, A. E. Staley Manufacturing Co., Decatur, Ill., and Lieut. Frank M. Kreml, International Association of Chiefs of Police.



Joseph B. Eastman

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**AUTOMOTIVE:** This industry has passed from the tooling-up stage to mass production, said Alfred Reeves, advisory vice president, Automobile Manufacturers Association. Present orders are close to fourteen billion dollars, more than three times the size, on dollar basis, of the industry's peak civilian year. By October, automotive companies will be employing more war workers than they ever employed on civilian production.

**MACHINE TOOLS:** 1941 production was three and one-half times that of 1939, and 1942 production will be many times greater, said George H. Johnson, president, National Machine Tool Builders' Association. Twenty-four hour production, seven days a week, has been established in many plants.

**PETROLEUM:** Plenty of reserves on hand, according to William R. Boyd, jr., president, American Petroleum Institute, and production of 100-octane gasoline for fighting planes has more than doubled in the past 90 days. Deliveries by railroad on East Coast now total about one-third the necessary supply.

**COAL:** Every requirement of coal for national defense or war production has been met, said C. C. Dickinson, president, National Coal Association. America today has a productive capacity of 600,000,000 tons of highest quality bituminous coal, at lowest cost to consumer and highest wage of any nation.

**RAILROADS:** So far the railroads have been able to meet every essential demand made upon them, according to Robert S. Henry of the Association of American Railroads. This despite the fact that no one foresaw railroads would be required to haul nearly 600,000 barrels of oil a day into the East, or to move in the first three months of this year about as many troops as were moved in the first nine months of United States participation in World War I.

**CONSTRUCTION:** This industry faces biggest construction program in the nation's history, said Dan W. Kimball, president, Associated Contractors of America. Construction was on practically a war footing two years before Pearl Harbor, he added, and on some projects has completed a new building every 32 minutes. Estimated dollar volume of construction scheduled for this year is \$13,750,000,000.

**POWER:** American utility companies are pooling their resources to build power reserves that can be sent wherever and whenever needed, said Kinsey M. Robinson, president, Washington Power Co., speaking for Edison Electric Institute. Increased demand for electric power in war industries will be substantially offset by decrease in civilian manufacture.



**Cutting unnecessary government expenses was urged by Senator Millard E. Tydings of Maryland.**



**Machine tool expansion was described by George H. Johnson, president, National Machine Tool Builders' Association.**



**Ship construction** was discussed by Admiral Howard L. Vickery, United States Maritime Commission.

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Attendance at the general sessions offered additional evidence of the interest in war problems and the work of the Chamber. John W. O'Leary, chairman of the Chamber's executive committee, reported that the service activities of the National Chamber have taken precedence over policy-forming work, and the staff has helped overcome much confusion among member organizations and individual members as to government agencies and their war duties.

He reported:

The Chamber this year has passed the all-time peak of membership of chambers of commerce. In the past five years our growth in that important type of membership has been steady, and particularly gratifying during the past year.

Likewise, our financial support has shown similar increases through the addition of both individual and associate memberships which have grown apace with our organization record.

Impressions gained in the course of a 15,000 mile flight, on which he talked with combat groups from coast to coast, were described by Capt. Edward Rickenbacker, president and general manager of Eastern Air Lines, and World War ace. By comparison with the fliers of the last war, today's pilots are veterans before they leave this country for the theaters of war, he said.

Captain Rickenbacker predicted the war would last from five to ten years, and that, in the last analysis, air power would determine the final victory.

Business-as-usual is a thing of the past, and we must face the fact that the war will be long, said Maj. Benjamin H. Namm, national chairman, Retail Advisory Committee to the U. S. Treasury, in the opening general session:

It is no longer enough for us business men to do good, individual jobs. The time has come for us to develop business statesmanship and to assert business leadership in a great, unified effort to achieve a single purpose alongside of which all other purposes pale into insignificance. I refer to the simple, but far from achieved, purpose of National Unity for Victory!

Major Namm called for a "general staff" of business to promulgate a "general plan" for victory:

Let us who are in trade and industry determine that we shall first unite, then plan, then practice, then preach. And after becoming united, effective and vocal, let us not fail to

drive our message home. We must not only say the right things, we must say them to the right people. And we must speak, not in the parlance of business, but in the simple language the public understands.

Secretary of Commerce Jesse H. Jones said the Department of Commerce was now almost wholly engaged in war work. He outlined briefly the scores of activities in which his Department's various agencies are engag-



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**Comradeship.** This group was snapped, unawares, by the candid cameraman at the Organization Night dinner on Tuesday, April 28. The atmosphere of comradeship which prevailed among business men from all sections of the land was one of the outstanding characteristics of the 1942 annual meeting.

ing. The most important contribution to war activity and production has been through the Reconstruction Finance Corporation, he said, and this one agency with its several subsidiaries has authorized expenditure of more than \$13,000,000,000 in the war program:

Conversion of America's industrial energies and technical skill into war work has already upset Hitler's time table and the production in our shops and factories now surpasses the grudging output of Axis slave labor.

But, he warned, we must realize that we have no time to spare and that American production is not yet sufficiently great to give the fighting forces the equipment and material necessary to enable them to show what they can do.

One of the "surprise" speakers was Dr. Hu Shih, Chinese ambassador to the United States. He described how his people in nearly five years of war had lost all their important coast and river cities, all modern cen-

# MEN who direct the policies adopted by the Chamber's 1640 Member Organizations



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JOHN M. THOMAS, President, National Union Fire Insurance Company, Pittsburgh.

OLIVER S. WARDEN, Publisher, Great Falls Tribune, Great Falls, Mont.

OSCAR WELLS, Chairman of Board, First National Bank, Birmingham.

GEORGE W. WEST, President, First Federal Savings & Loan Association, Atlanta.



**Maj. Gen. George Grunert**, commanding officer, Sixth Corps Area, commands industry's war effort.

**They're in the Navy now!** As 139 young men took the solemn oath which made them members of Uncle Sam's sea forces.



**Rescue!** The United States Coast Guard showed the Chamber delegates how life is saved by use of the breeches buoy. A young lady was brought safely "ashore" from a balcony.



**Rear Admiral John Downes**, commandant, Ninth Naval District, welcomes the delegates.



**Eddie's in uniform.** This is Eddie Peabody, famous banjoist and band leader, now a lieutenant commander. His music brought enthusiastic cheers from the business men.

## Meet the Fighting Forces

PICTURES on this page were snapped as delegates and visitors to the Chamber's annual meeting gathered in the Hotel Stevens ballroom on Wednesday night, April 29, as the guests of Uncle Sam's fighting forces. Cooperating in a spectacular and practical demonstration of the work of these forces were the Army, the Navy, the Marines and the Coast Guard. There was music by the Great Lakes Naval Training Station Band, under Eddie Peabody's direction, and by the Training Station Glee Club of 100 voices. The Army demonstrated the use of parachutes and gas masks. The Coast Guard showed how it effected rescues from sinking ships, and the Marine Corps exhibited modern devices by which the Marines will carry the war to the enemy. Climax of the evening was the mustering into the Navy of 139 young volunteers.

**Voice of Business.** Robert E. Campbell of Lincoln, Nebraska, chairman of the Committee on Resolutions, presents the work of his group.



**Buffet lunch** on Monday, April 27, attracted many delegates as an opportunity for an informal get-together, following which they heard discussions of the war work of business organizations.

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ters of industry and manufacture, all direct access to the sea, more than 90 per cent of their government revenue—yet fought on with undiminished spirit:

The faith of my people has now been vindicated but victory is not yet in sight. A long and hard war still faces your nation, my nation and all our allies. But my people have not the slightest doubt about the ultimate and not too distant victory and they will not quit fighting until that victory is won.

Highlight of the closing dinner meeting was a first-hand report by Francis B. Sayre, United States High Commissioner to the Philippines, on the siege of Bataan and Corregidor. Commissioner Sayre recently returned to the United States after two months on Corregidor:

You, business leaders, can play a vital rôle in solidly uniting America. The essential function of the United States Chamber of Commerce is to unite and unify American business groups. Now, as never before, America charges you with that responsibility. Capital and labor, Republicans and Democrats, New Dealers and anti-New Dealers, rich and poor, Catholic and Protestant, black and white—all of us are Americans—and all of us, determined to pull in harness together, are going to win this war.

Those boys who are living on the front line, close to death, with their minds prepared any day willingly to make the supreme sacrifice, sense realities. The suffering and the agony amid which we lived on the front line must inevitably come also to all the people of the world unless the forces of righteous-

ness organize themselves, first to combat and overthrow the forces of evil, and, second, after such defeat, to set up an order which will make a repetition of the present tragedy and catastrophe forever impossible. That is a backbreaking labor of infinite difficulty; but unless it is achieved our civilization cannot survive and man must revert to the level or below the level of the beast. The inspiring fact is that it can be achieved. And the Democratic nations of the earth can achieve it.

Difficulties facing the United States Maritime Commission in keeping up with the war's demands on shipping were described by Admiral Howard L. Vickery, Commissioner. Speed in building new ships, he said, must be accompanied by adequate protection of ships at sea, because ships cannot possibly be built as fast as they can be sunk. He indulged in some good-natured ribbing of the men who had earlier reported on the work of their various industries:

You have heard the power people tell you that we always had the power when we wanted it. Well, I have had some battles to get the power we needed. As for the machine tool people, I have waited six or eight months for cranes to build ships, and the big bottleneck is steel.

Nonetheless, he reported, the time from keel laying to delivery has been cut from 105 days to 94 days.

Agriculture has no wish to profit at the expense of other groups, the Department of Agriculture will watch the prices of farm products, M. Clifford Town-

send, director, Agricultural Defense Relations of the Department of Agriculture, said.

Representative Hatton W. Sumners of Texas called upon all citizens to guard against further invasion of state's rights, and to work for restoration of those rights already pre-empted by the federal Government.

## Foundations of Peace

A LOOK into the world of the future and the perplexing problems it must solve was given at the dinner meeting of the American Section, International Chamber of Commerce, at which Eliot Wadsworth, chairman, American Committee of the International Chamber, presided.

Anyone who thinks of the peace after the war as distinct and different from the war itself is deluding himself, said Prof. John B. Condliffe of the University of California Department of Economics. The war effort must be conducted now in such a way as to lay the foundations of the kind of world we want, he said. That means, he added, breaking through the rigidities and monopolies and privileges that have hampered private enterprise, capital and labor alike.

Continued collaboration by the United Nations will be necessary after the war, D. G. McKenzie, president of the Canadian Chamber of Commerce, declared:

Our condition of peace must be that the Axis powers be placed in such a position that never again will they have the opportunity to throw the world into turmoil. Nothing less than this will suffice, as we must not have another world war a generation in the future. There can be no vindictive peace nor yet a generous peace.

Barclay Acheson, roving editor of the *Reader's Digest*, said the people of South America were ready for new attachments and loyalties, and that we are in position to assume leadership in the western hemisphere.

Difficulties of American Chambers of Commerce abroad were discussed at another dinner meeting. A. B. Caragol, president of the American Chamber of Commerce in Spain, and Robert E. Pearce, chairman of the United States Committee, American Chamber of Commerce in France, Inc., urged that the work of the chambers in foreign lands be continued wherever possible, maintaining skeleton organizations in this country if necessary. These organizations, he said, should be prepared to resume their activity on full scale when the war ends.

How individual business organizations have mobilized their resources to meet war conditions and problems both locally and nationally was the subject of a series of talks at general meetings.

Dan W. Kimball, president of the Associated Gen-

eral Contractors of America, said construction had been at war for two years turning out the facilities necessary for the war effort. And how the Columbus, Ohio, Chamber helped contractors handle a program calling for construction of 3,600 houses for war workers was told by John W. Galbreath of that city's Chamber.

The needs for defense housing gave the savings and loan associations both a challenge and a made-to-order opportunity, said Fermor S. Cannon, president of the United States Savings & Loan League. The challenge was the risk involved in financing small homes for workers in defense industries, and the opportunity was to serve that particular field.

Conversion of the radio industry to war purposes was described by Paul V. Galvin, president of the Radio Manufacturers' Association. Other speakers on



KAUFMAN & FABRY

**For vigilance** on behalf of public health, Dr. Henry F. Vaughn of the University of Michigan presents award to Acting Mayor John L. Bohn of Milwaukee (center) and Walter Harnischfeger (right), president, Harnischfeger Corporation, Milwaukee.

## For Health's Sake

WINNING cities in the National Health Conservation contest, conducted jointly by the National Chamber and the American Public Health Association, were announced at the annual meeting. They were Detroit, Mich.; Evanston, Ill.; Greenwich, Conn.; Hackensack, N. J.; Hartford, Conn.; LaSalle, Ill.; Louisville, Ky.; Madison, Wis.; Memphis, Tenn.; Milwaukee, Wis.; Newton, Mass.; Racine, Wis.; Reading, Pa., and Schenectady, N. Y. Awards also were given 14 counties in the Rural Health Contest.

The awards went to a total of 28 cities and counties in 17 states. Kentucky, Michigan, Tennessee and Wisconsin produced three winners each, and Connecticut, Illinois and Washington two each. The other ten states had one winner each.

this program included J. W. Follin, managing director of the Producers' Council, who told of the Council's work as a clearing house of information for the construction industry; Graham Hall, president of the Nashville Chamber of Commerce, who told of his Chamber's activity in connection with vocational training; Thomas N. Dysart, president of the Chamber of Commerce of St. Louis, who outlined how St. Louis was meeting its war-time transportation problem; and Oscar Monrad, executive vice president of the New

continued in session long after the usual time for adjournment.

## A New Destiny Waits

IF A SINGLE word of discouragement or defeatism was spoken, I didn't hear it. There was, instead, the universal sentiment:

"WE MUST, WE CAN, WE WILL!"

This pledge was reiterated by the newly-elected Chamber president, Eric A. Johnston of Spokane, president of the Brown-Johnston Company and the Columbia Electric & Manufacturing Company. In a statement following his election, he said in part:

As the newly elected president of the Chamber of Commerce of the United States, I wish to pledge the full cooperation of this great business organization with all government agencies and with all other groups in our national life, for total victory. There will always be differences of opinion, but in this crisis all effort must be directed toward bringing victory for this America of ours, which we love.

To win the war is America's number one MUST. Victory can only be had through the cooperation and total coordination of ALL of America's efforts ALL of the time.

We shall emerge from this devastating conflict with a new national soul. A new destiny awaits us. We must be ready for it.

Winning the war and winning the peace are the same. We do not detract from the war effort as we begin now to lay the foundation for peace. Progress now in one direction means success in the other.

The spirit of unity among those attending the Chamber's annual meeting was nowhere better demonstrated than in the adoption of the resolutions on the closing day of the convention.

This was no cut and dried affair. More than 1,000 business men sat in the Stevens ballroom as the resolutions committee reported the results of its four-day deliberations. Attentively the audience listened to the reading of the resolutions, and occasionally someone arose to suggest the re-wording of a phrase. On basic policy, however, there was little or no divergence. A summary of the resolutions follows:

**WINNING THE WAR:** Rededication to winning the war, and winning it conclusively, was the theme of the annual meeting. It reached its highest expression in the final resolutions of the meeting. However unprecedented the magnitude of the tasks, it was declared, they must be accomplished. Whatever the goals set for war production and war services, they must be exceeded. All public policies and private plans must be shaped to speed and enlarge effective war production until it is overwhelming.

**THE FUTURE:** This great effort must increase our strength and our will to meet the tasks ahead, after war. It must utilize our smaller enterprises and maintain them for our future needs. It should give full protection to producers



Cincinnati city and fire department officials display grand award won for best work in fire prevention.

## Second Front Against Fire

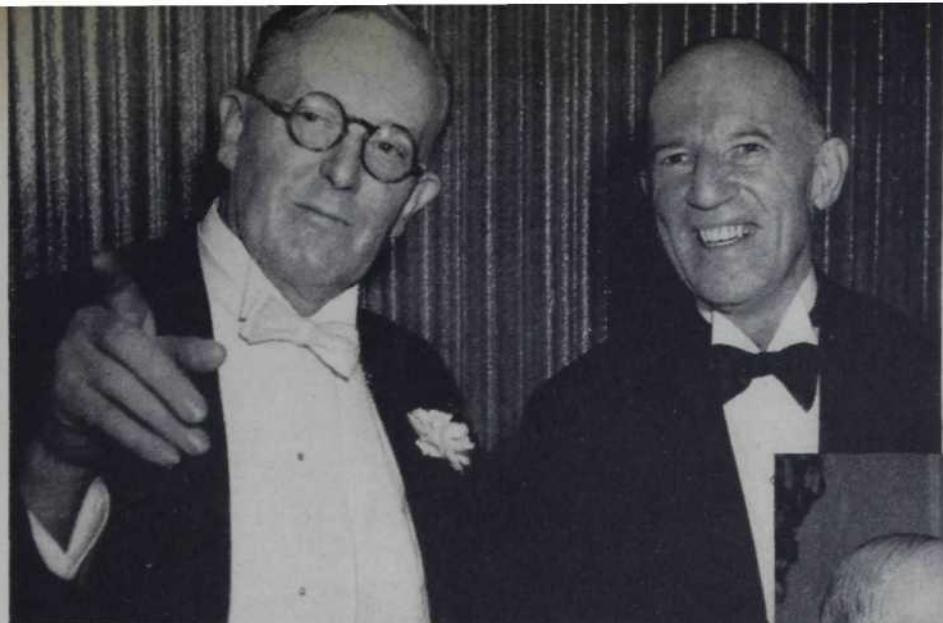
CINCINNATI, Ohio, won the grand award for the best work in fire prevention and protection in the 1942 Inter-Chamber Fire Waste Contest sponsored jointly by the National Chamber and the National Fire Waste Council. Plaques were presented to Milwaukee as the winner in Class 1, cities of 500,000 or more; Cincinnati in Class II, cities 250,000 to 500,000; Wichita, Kansas, in Class III, cities 100,000 to 250,000; Lakewood, Ohio, in Class IV, 50,000 to 100,000; Parkersburg, W. Va., Class V, cities 20,000 to 50,000, and Valley City, N. D., Class VI, under 20,000.

This is the second time Cincinnati has won the grand award, the previous occasion having been 1939. It won first place in its population class in 1932, and in other years has attained second or third place in its class.

Haven, Connecticut, Chamber of Commerce, who told of building New Haven's civilian defense organization.

It was at the group meetings that the specific problems of various industries and business fields were discussed.

These sessions were carefully planned to cover agriculture, transportation, insurance, federal finance and taxation, natural resources, labor relations, distribution, and the world economic position. There was much give and take of questions and answers between the speakers and their hearers, and many of the meetings



**Looking ahead.** President Albert W. Hawkes and Francis B. Sayre, United States High Commissioner to the Philippines, pictured at the Annual Dinner on Thursday night, April 30, at which Commissioner Sayre spoke.



**Talking it over.**

I. N. Tate, vice president, Weyerhaeuser Sales Company, St. Paul, and a young Navy officer have a chat at the Annual Dinner.



WRIGHT-MCKINNEY  
**Greetings** are extended to a friend by John W. O'Leary, chairman of the National Chamber's executive committee, at the annual dinner.



**After war—what?** Professor John B. Condliffe of the University of California discussed this subject at the dinner of the International Chamber of Commerce. We must prepare now, he said, for the peace which is to follow the winning of the war.



**Corner conference.** Here are, left to right, Thomas J. Watson, Charles G. Dawes and Robert E. Campbell discussing the program of the International Chamber of Commerce dinner.

from the anti-trust laws in their responses to requests from federal agencies charged with wartime responsibilities. It must so use our facilities for distribution and for foreign trade that they will later be available to serve us. It must include maximum coordination with Canada in war-related activities and a policy of fulfilling all commitments we make with Latin-American countries. It must be accompanied by assurances that advantage will not be taken of concentration on war to bring about permanent centralization of government at the expense of the states, and continuing controls of business and individuals—that rights and freedoms now surrendered will be restored.

**THE RIGHT TO WORK:** The right to work—to obtain employment and to keep it without membership or non-membership in any organization, or payment to anyone—should be protected by Congress. The right to strike should be voluntarily suspended during war by all workers. Artificial limitations upon hours of work should not be permitted during war.

**CONSERVATION FOR WAR:** Common endeavors must be the order of the day—to conserve transportation for its greatest possible use—to keep management in industrial plants free from interferences, in order that output may be facilitated—to avoid waste of materials, men, and money at every point—to ban experimentation or new activities of government that divert attention and energies from support of war services.

**WAR FINANCE:** Financing the war is of critical importance to success. Thoroughgoing economy should be required of all government authorities, in order that large savings may be available for the war effort. Federal taxes should be equitably distributed throughout all classes of the popula-

tion, and should seek the revenues possible without impairment of maximum war production in minimum time. The excess-profits tax, the most effective means yet found for reaching any unusual profits accruing to corporations under war conditions, should be confined to those profits as actually realized, and not allowed to cut into normal earnings, for which the income tax is intended. A proper combination of these taxes, with encouragement of reasonable reserves against the necessities of the post-war period, will enable corporations to make their maximum contribution to the war and afterward.

**MEASURES AGAINST INFLATION:** The government's borrowings to meet the remainder of the costs of war should tap to the greatest possible extent, on a voluntary basis, the current income of the country available for savings, thus providing a further check upon inflation. To counteract against inflationary influences there should be added to taxes and government borrowing of savings an immediate extension of the Price Control Act to cover all elements that control prices, including salaries and wages.

As the men who had attended the Chamber's 1942 annual meeting left for their homes, there were many little dramas enacted in railroad stations which lent still further urgency to the slogan "Let's Get It Done!"

Caravans of Army trucks, loaded with youths in civilian attire, rumbled through the streets of Chicago bound for troop trains and reception centers. There were no bands or parades—simply grim youths setting grimly about a grim business.

One of these days those boys would be driving tanks, or flying planes, or firing the shells and cannon which the Chamber men were going back home to make.



WRIGHT-MCKINNEY

**Presiding** Officer at two general sessions was L. N. Tate, vice president, Weyerhaeuser Sales Company, St. Paul, and vice president of the National Chamber.



WRIGHT-MCKINNEY

**Canada's part in war** was described by D. G. McKenzie, president, Canadian Chamber of Commerce, at the International Chamber of Commerce dinner.

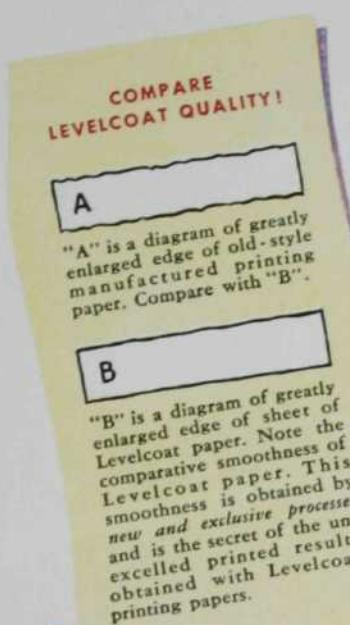


WRIGHT-MCKINNEY

**The coal industry** is ready for war, said C. C. Dickinson, president, National Coal Association, in addressing a general session.

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Speeding up production! Abrasive particles in vital high-speed grinding wheels are bonded with "Bakelite" resins.



Even the rollers that roll steel, roll on bearings made of "Bakelite" resin-bonded materials!



## UNITED THEY STAND ...most anything!

By what strange alchemy do thin, frail sheets of wood become so tough and strong...so resistant to wear and tear, to water, chemicals and decay...that builders of aircraft, boats, homes, and other structures hail these transformed woods as *marvel materials*?

The answer is found in "Bakelite" resins. These synthetic, man-made materials, which paved the way for many developments in molded, laminated, and cast *plastics* in common use everywhere, have gained an even broader and more basic role.

Through research...in helping to solve the problems posed by manufacturers in many fields..."Bakelite" resins have become increasingly important as *impregnating, coating, and bonding* agents. They hold materials together...and they give greater strength, greater durability, and longer life to common substances that man has used for ages. "Bakelite" resins also permit the creation of *many new materials*...materials never seen before...with possibilities that make one want to do things with them.

Developments in bonding, stabilizing and densifying plywoods with "Bakelite" resins are one phase of this story. "Bakelite" resins have also solved many problems in the fabrication of metals, carbon, abrasives, cloth, leather, paper, glass...in countless ways...in varied forms. Certain types of "Bakelite" resins have helped to establish new standards of durability for paints and varnishes.

And this is *only the beginning*. As new problems are presented...to be solved by research...a host of new uses may be expected of these efficient, versatile, problem-solving materials.

The ever-broadening diversification of materials offered by Bakelite Corporation is now supplemented by the "Vinylite" plastics developed and produced by Carbide and Carbon Chemicals Corporation. The manufacture and application of these products have been greatly facilitated by the plastics-fabricating research of National Carbon Company, Inc., by the metallurgical experience of Electro Metallurgical Company and Haynes Stellite Company, and by the metal-fabricating knowledge of The Linde Air Products Company. All of these companies are Units of Union Carbide and Carbon Corporation.

**BAKELITE CORPORATION**

Unit of Union Carbide and Carbon Corporation

30 EAST 42ND STREET



NEW YORK, N. Y.



# Washington

*and  
Your Business*



## Getting Down to Business

FROM now on war production will be held to something remotely near the present level. There will be less emphasis on expansion. Fewer figures will be heard of the kind pessimists called fantastic.

We're making all we can handle and all that we need.

Production figures will continue to mount as the new plants get into action. But the need for new plants will have been filled when those now in course of erection or tooling are at work.

We've gotten rid of the "bugs."

American industry will build for the market in the future, just as it used to do. After all, war is the greatest market the world can offer.

## Old Plan Under Forced Draft

IN its essentials the government-industry hook-up for war production followed the traditional plan. Promotion—building—tooling—selling.

We didn't overshoot the mark. We can use everything we are now making or will make with the plants now coming in.

But overproduction will be avoided. Army and Navy can now see clearly what they will need in the future. They can only use overseas what they can ship.

## W.P.B. Can Take Breath

THIS is glad news at W.P.B. When every lathe and forge was calling for more raw materials and freight cars and men and more lathes and forges were being set up and small business men were being choked out of business and the market, the Board was at its wits' end. Then Leon Henderson's rationing and pricing plan came along—

"The W.P.B. went right through its wits' end and kept on running."

Now that it can take breath there is a real prospect that the small business man can be helped. Nelson

thinks so. There will be tough months ahead—maybe tougher months—but at least the limit is in sight.

## Ship Bottleneck Being Opened

ONE evidence that a period of calm is approaching—high pressure and noisy but still relative calm—is that the Quartermaster's Department, the Maritime Commission and the Office of Defense Transportation are no longer striking sparks. Shiploading, dock management, and operating efficiency will be improved. No one was at fault.

Three well meaning and competent agencies were obliged to work their way out of a tangle of responsibilities and conflicting authorities.

## Creeping Regulation is on Us

TWO months from now there will be more regulations. More restrictions. They are coming one at a time—inching along like de po' inch worm—but inexorably.

They will go into effect when the tickets and forms have been printed and distributed and storage warehouses found. We will have one cup of coffee, coupons for clothing, tickets for fuel oil and enormous staffs to manage our affairs for us.

"Literally tens of thousands of organizations will receive and pass out instructions," said Robert E. Sessions, director of the O.P.A. consumer section.

No one has yet produced a convincing answer to the question "why?" England arms her homeguard with rifles and hand grenades instead of with fountain pens, and even Germany, bureau-ridden as she notoriously is, finds other uses for her men and women. Americans may get somewhat alloyed comfort from the fact that thousands of folks will like to check up on their neighbors.

## Midgets Make the Trouble

THE little people in government make the trouble. The responsible big people are all right. When the proposition to give the Government the right to buy privately owned cars was first advanced every one said "Yes."

"No," said the little people in government. "The Government should seize them. That would bring home to the people the fact that we are in a war—"

Where the heck do the little men think we think we are, anyhow? Popular complaint as piped into Washington is not against taxes or high costs or fewer tires or less sugar but against the shoulder-waggers who are tying government in red tape and slowing up action.

## Here's Where You Stand

THIS corner could not be blindfolded and backed into anything that might seem to be a criticism of a court. But it is mildly wondering whether whatever protection a citizen might think he could get from a court against unwarranted acts by an administrative agency has not been stripped away. Here are the facts.

The Endicott-Johnson corporation has a contract to make shoes for the Government. Under the Walsh-Healey Act it must conform to certain regulations. Secretary of Labor Perkins ordered the corporation to produce the work records of employees in 12 plants. The District Court upheld the corporation's contention that these employees were not concerned in the contract with the Government and that Miss Perkins therefore lacked authority. The U. S. Circuit Court of Appeals reversed the lower court, however, on the

ground that the Supreme Court in numerous decisions has set up a new doctrinal trend:

The Supreme Court tendency to support administrative procedure.

That would seem to deprive the sufferer from what he thinks is a tyrannical procedure of even the right of protest.

## Senate Knocks Off a Horn

BY A VOTE of 42 to 38, the Senate refused to T.V.A. the right it has always claimed to spend its receipts as a revolving fund, and directed it to turn its money into the Treasury. When it wants money it must come—as do all other government agencies—to Congress for an appropriation. If the T.V.A. had not been compelled by the Senate amendment to make a regular accounting to the Government, and were free to do what it pleases to do under the court's ruling as to the administrative authority, then it looks to this corner that a mighty nice little independent government would have been set up in T.V.A.'s seven states. It is true that the General Accounting Office has the authority to audit T.V.A.'s expenditures. But it cannot make its findings public until T.V.A. assents, and for four years T.V.A. has said nothing at all.

## It Isn't the Baruch Plan

ANY one who says the Leon Henderson price-fixing scheme has more than a remote relation to the Baruch plan successfully used in the First War will get no smile from the Old Master. He will not be quoted, but those who know him say:

"The Baruch plan set certain boundaries and compelled industry to keep within them. But industry ran its own affairs. On one occasion a group of industrialists refused to obey:

"You will," said Baruch "or else." They did.

## Henderson Would Run Industry

CONTINUING TO QUOTE:

"Henderson's plan calls for the management of industry by the Government. Thirty thousand or more prices are being fixed. An incredibly huge organization will be required. The interference by outsiders with the affairs of an industry is bound to make trouble."

There is practically no complaint because supplies have been cut short. In the O.P.A. they say the "squawking" is over what appears to be the average man and wife as too much bureaucracy.

## Read This and Weep

ONE of the great newspapers has a daily circulation approximating 1,250,000. The Sunday circulation figure sounds like one of the current appropriation bills. As a part of the campaign to save transportation Government has ordered that:

There shall be only one delivery to outlying points daily.

That means that the great newspaper may print only one edition daily. There are not enough means of transportation available to get that single enormous edition to the small towns that have been depending on the paper. Not in one shipment. A tabloid in another city has a daily circulation of 3,000,000. Indications are that the big paper and the tab will find their circulation cut down to the size of their rivals pronto. A regulation will fix that.

## "Brass Hats" Are Out

THIS being early in the war some of the censors are passing through that phase of uncertainty that all censors do while they are getting acquainted with their duties. In a recent story a writer spoke of:

The Army's brass hats.

That phrase has nothing derogatory in it. It is as commonly used in war-writing as caissons or munitions. But the censor struck it out because he had confused the functions of the censor with that of the editor. Only remedy is in the hands of the writers and editors. There are indications the remedy will be used.

## As to the Second Front

EXCELLENT but not quotable authority remarks:

No all-out offensive is to be expected from America and Britain in 1942. Not enough ships, planes, guns, men. By 1943 it is expected the United Nations can hit with all they've got. It is believed the war can be won in 1944.

Some plain speaking is to be expected in the immediate future in an effort to head off a popular demand for hasty action before we are ready.

## Why War Costs So Much

GEN. LEONARD C. AYRES was the statistician of the First War. In his 1919 report he stated that the cost of the Army—only of the Army—had been \$14,000,000,000. He is the statistician of this Second War:

How much more will it cost today to equip a force of 1,000,000 men than in 1918?

Tanks are used by the thousand now and by the dozen in the First War. An army might lose more planes in a single day than it had combat planes in the first war. The field of action is scattered all over the world. Transportation costs alone are shattering:

"Perhaps ten times as much," General Ayres replied. "No one knows yet. The figures are not in."

## Too Big to Comprehend

NOT even Einstein could grasp the immensity of our war program. Yet he deals with unbounded time and space. If the word association test were to be tried on the average reader and he were asked to respond to:

"Signal Corps"—

He might say "pigeons" or "wigwag." He would recall that both pigeons and flags are used in war to send messages. He would be surprised to hear that the contemplated cost of communications for our first New Army will be \$3,000,000,000. That is \$23 for each of our 132,000,000 people.

## Cost is Not Too High

AN ARMY without communications is blind and deaf. The Signal Corps will make use of every means of communication ever invented, from the walkie-talkie radios for the front line to blinkers and telephones. War has become a new science. A football team on the field is more nearly out of touch with the coach than is a modern army with its commander-in-chief. The Engineers' Corps is at work on a construction program that makes the Great Wall of China seem like a neighborhood activity. The first cost of that program is \$6,000,000,000. It may run to \$10,000,000,000. Yet some of the greatest shops in the war program have been built by private capital



## The man who never stops studying

MOST PEOPLE realize that a life insurance agent is usually a man who "likes people" and wants to help them.

What isn't so obvious is that *wanting* to be helpful isn't enough. An agent must also *know how...* and *that* requires knowing how changing conditions affect policyholders.

For instance, agents today must be able to answer such new questions as: "Is my life insurance affected by the new war clauses?"... "How may my life insurance be tied in with my Social Security?"... "Do the new taxes require any change in my life insurance arrangements?"... and scores of other questions arising from changing conditions.

An agent is always "going to school" because policyholders are continually confronted with new life insurance problems. As they arise, the agent must be ready with advice and counsel. Accordingly, he prepares himself in many ways;

for example, he attends educational meetings and takes correspondence courses. His studies begin the first day he enters the business and continue until he retires.

Last year, many Metropolitan Managers and Assistant Managers, who supervise and train agents, attended 91 special three-week schools. Additional schools are now in progress. Field training instructors are constantly at work with the agents both in the field and in classrooms. Nearly a thousand field-men are enrolled in, or have completed, the course which brings the coveted designation, "Chartered Life Underwriter."

In short, keeping abreast of new developments and how they affect your life insurance program is a big part of the field man's responsibilities. If you are a Metropolitan policyholder these facts are worth keeping in mind.

When problems arise in connection with your life insurance, remember that your agent has probably been confronted with the same questions before. He will be glad to help you... to give you the benefit of his knowledge, training, and experience... to seek, when necessary, the benefit of the advice of Home Office specialists.

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*This is Number 49 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.*

## Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD • Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



—Ford, General Motors, Chrysler for instance.

After the signals and the shops and the airfields are provided for come guns and shoes and uniforms and anti-fever shots. Of course it's too big to comprehend.

## Who Will be the Chief?

UNDERCOVER and somewhat volcanic agitation is for a Chief of Staff for the combined American and British armies. The combined staffs are working very well but there is agreement in theory that one man might prove more efficient than two staffs. These questions arise to plague the planners, however:

Who shall he be? And in London or Washington?

The story of the 1918 clash between Pershing on the one side and Foch and Haig on the other has been somewhat clandestinely revived. Foch called a conference:

"We will insist," he said to Pershing, "that the American troops shall not be employed as units, but shall be fed into our trained armies as replacements."

"You can go to hell," said Pershing. Then he walked out. The matter was never revived.

## Straws in the Wind

W.P.B.'s decentralization plan is approved in theory. Big chiefs would stay in Washington and issue orders to regional chiefs in industrial areas. . . . Fear is that work of decentralizing would clog a machine that is now working fairly well. . . . Yesterday's \$2.50 overalls will continue to bear a \$2.50 price tag. . . . But they will not be the same overalls. . . . Already prices are being changed. The first guess often proved to be a poor one. . . . There will not be pocket-room in the new war suits for all the ration cards. . . . More speed on war production plus an increased output for civilian needs is Nelson's plan. . . . His headaches. . . . Not likely that McNutt's F.S.A. will be given money for added benefits to draftee dependents. . . . W.P.B. continues to weed out. More practical business men wanted. . . . Canned goods and clothing producers are expected to be hard hit by price restrictions. . . . A sales tax is regarded as probable.

## Small Facts and Fancies

"NO SMOKING" in war plants has boosted the snuff industry. Probable 1942 production 45,000,000 pounds, 4,000,000 more than peak in 1929. . . . Snuff is chewed and not sniffed nowadays. . . . Utility heads do not foresee any considerable shortage in power. . . . Chain stores are lopping off least profitable units. . . . Merchandising costs cut drastically by most stores. Fewer deliveries, no special sales, cheaper packaging and not so many clerks. . . . Cuts in N.Y.A. and C.C.C. costs encouraging those who have been demanding a \$2,000,000,000 cut in useless expenditures. Taft, Byrd, Tydings leading the fight. . . . Flood tide of forms and questionnaires submerging business men. . . . Unavoidable under present plans of operation. . . . Each must be read, presumably digested and then stored by some one. . . . McNutt says employers are hiring trained men, regardless of age. . . . State unemployment agencies paid out \$124,000,000 in first quarter of 1942. Fifteen per cent more than for same period in 1941. . . . The 50,000 U. S. taxicabs carried one-sixth more passengers last year than in the previous year. . . . Time to buy shoes. Leather shortage ahead.

## Facts and Fancies

ARCHIBALD MACLEISH, poet, Congressional librarian, snappy and eloquent, has been under heavy fire lately. Americans generally appear to be tough, hard-handed, and believers in the theory that in war the side that can kill the most men will eventually win. MacLeish's advocacy of psychological warfare did not please. Consequence is that talk is again being heard of another over-all propaganda agency to top all over-all propaganda agencies. Lowell Mellett of Government Reports, Col. Bill Donovan, Coordinator of Information, and Governor Lehman of New York have been spoken of to head it, if and when. All three tough, and capable. All may be forgotten tomorrow.

## Batt is Under Fire

W. L. BATT, competent, hard-handed, trained business man, is under a small calibre fire from the smaller New Dealers. Batt doesn't go in much for poesy, the stag at eve, or cut flowers. He wants raw materials, he is having one heck of a time getting them, he whacks the golden boys over the head with facts, and when he rams head-on into stupidity or red tape he sounds like a power tool in action. Report is that he is here for duration. True, however, that the popguns are trained on him.

## Too Much and Too Few

ABOUT that freight car shortage probable for September:

The railroads have handled the flood of freight magnificently. But the war demands have been increased beyond all anticipation. Coordinator of Transportation Eastman, who really knows railroading, has asked W.P.B. to allocate raw materials to permit the roads to build the engines and cars they must have to keep from being drowned under freight. The W.P.B. says it has no raw materials to spare. Having too much business and too few cars the roads may logically expect a strike for higher wages.

## John L. Lewis Please Note

CONGRESSMAN WILBUR CARTWRIGHT of Oklahoma tells a story of a hillbilly grandfather who did not return from a visit to the woods. His grandson found him after a search:

"Gettin' dark, Grandpap," said the boy.  
"Yep," said the old man.  
"Ain't you comin' home to supper, Grandpap?"  
"Nope."  
"Why not, Grandpappy?"  
"Standin' in a b'ar trap."

## Sugar Honor in Canada

CANADIAN housewives are not required to tell their ages, weight and color of hair and eyes to get their sugar. They are on an honor system, which permits them to buy three quarters of a pound a week, or one-quarter of a pound more than the housewife is allowed in the United States.

No card, no registration, no snoopers.

The sugar reserve is now in a much better position than it was before the new system went into effect.

*Herbert Cory*



**BUSINESS  
AS  
UNUSUAL**

To paraphrase some other advertiser's slogan: What a whale of a difference a few months make!

It seems like only yesterday when putting clerical employees on multiple shifts was just an office manager's pipe-dream. Yet today it's an accomplished fact in many concerns, so that figure-work machines shall not stand idle while machine tools roar a promise of victory.

Perhaps your concern hasn't adopted such drastic measures. Yet it's certain that "business as unusual" brings the amazing *speed and efficiency* of your Comptometer adding-calculating machines, and Comptometer methods, into sharper focus — particularly on *costs and payroll work*.

Your local Comptometer Co. representative is prepared to suggest ways in which your present Comptometer equipment can be better adapted to meet the new conditions you're facing.

Telephone him . . . or write to Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago, Ill.

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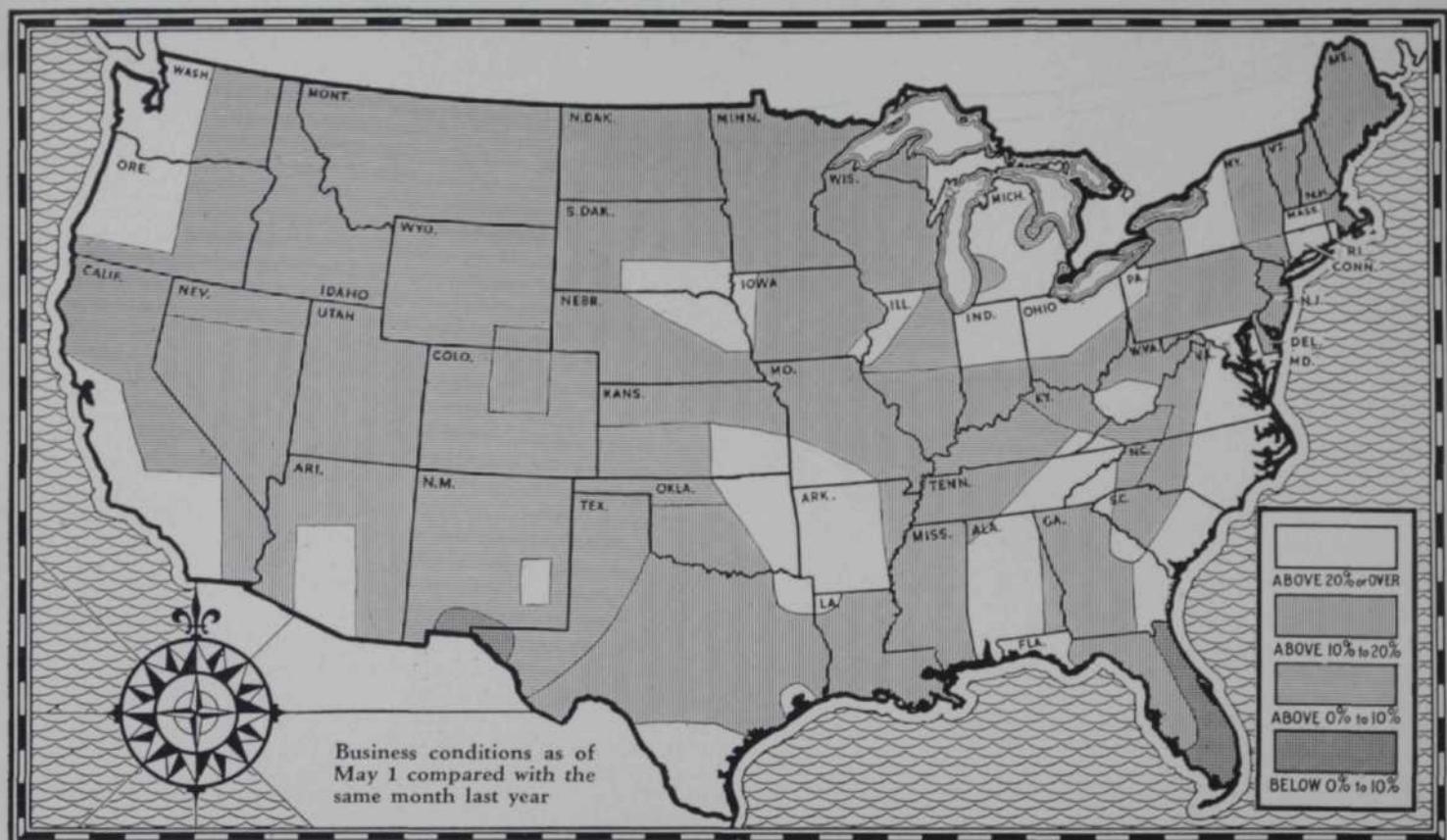
**ADDING-CALCULATING MACHINES AND METHODS**



*This is where we'd ordinarily put a picture of the Model WM Comptometer. Because these extraordinary times emphasize the importance of COMPTOMETER METHODS so strongly, we've omitted the machine in an effort to call your attention to that emphasis.*

# The MAP of the Nation's Business

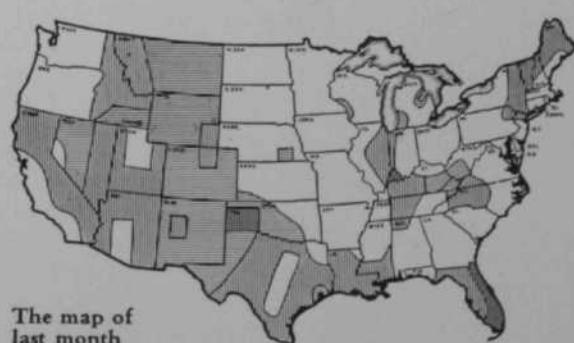
By FRANK GREENE



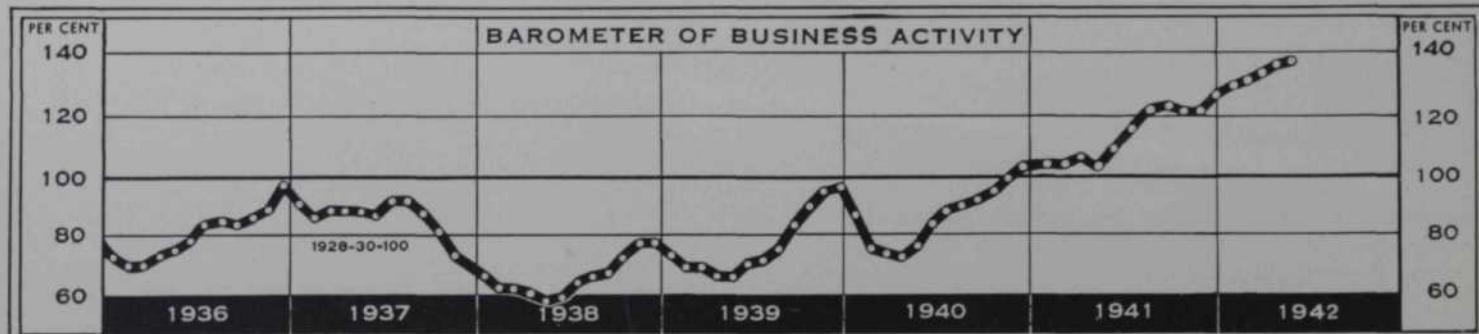
RAPIDLY expanding war production maintained industrial output and payrolls at high levels during April notwithstanding drastic curtailment of many civilian defense lines. Changeover of automobile plants was nearly completed. Shipbuilding and plane manufacture continued to exceed schedules. Steel operations at 97.7 per cent of capacity was a record for that month, while total steel output was only slightly lower than the peak March production. Railroad freight movement was highest since 1930 and passenger revenue improved. Electricity output held its gains.

Engineering awards were close to the March high record, despite curtailment of non-defense construction. Declining stock market prices and business loans reflected war uncertainties. Retail and wholesale trade tapered off, and large retail inventories were in evidence. Wholesale commodity price indexes continued to rise despite temporary setbacks caused by the O.P.A. price freezing order.

While war production continued at capacity during April, consumer spending showed a general slowing down the country over



The map of last month



The continued uptrend of the Barometer during April reflected the expanding rate of war expenditures and the increased momentum of the conversion program from civilian production to essential war materials

# The whiskey expert who flunked his exams



We placed two samples of whiskey before the expert.

He sniffed. He sipped. He pronounced one sample "excellent;" the other only "fair."

*But both glasses had been filled with the same whiskey!*

Maybe a head cold had thrown his taste off a bit. But that little

incident convinced us that *one* man's opinion *only* can never be a reliable guide in pleasing the tastes of thousands of people.

So we decided to let those thousands write their own ticket. Each month, some fifteen hundred people from every walk of life—the Calvert Consumer Jury—pass judgment on Calvert products.

Of all of our whiskies, the Jury

has continually chosen the more highly refined whiskey; the whiskey of more delicate body, of more subtle flavor. That is the whiskey to which Calvert has dedicated its resources and skill.

And because of our vast reserves of 151 superb whiskies and 102 fine, mellow grain neutral spirits, Calvert can always produce the ideal combination of whiskey qualities. You have it today in the magnificent Calvert blends.

Is that merely a claim? No. It's a fact. It's a fact backed up by the American public, which buys more Calvert\* than any other luxury whiskey.



*The "Consumer Jury" gives Calvert a true cross-section of American tastes to guide the making of Calvert products.*

**Calvert**  
The Institute  
of Blends



## ASK THE MAN who works on his feet...

● For an honest answer about factory floors, talk to those who work in the plant. Then you will appreciate how a cold, hard floor tires a man's legs and slows up his mind.

There is but one industrial flooring material—Kreolite Wood Block—so durable and comfort-

### A STRAIGHT TICKET FOR WOOD BLOCK FLOORS

Architects, engineers, contractors and industrial concerns—in a national poll conducted by an outside research organization—voted wood blocks their preferred industrial flooring material. Further details on this survey will be mailed to interested manufacturers.

QUESTION	QUESTION
WHAT FACTOR IS MOST IMPORTANT TO YOU IN THE SPECIFICATION OF INDUSTRIAL FLOOR?	WHAT TYPE OF INDUSTRIAL FLOOR DO YOU PREFER?
ANSWER	ANSWER
52.1% said "Length of floor life." 20.2% said "Contribution to better working conditions." 13.4% said "Initial cost." 11.8% said "Maintenance cost."	54.7% said "Wood block." 20.8% said Type A. 9.4% said Type B. 5.7% said Type C. 3.8% said Type D

able that it is the universal choice of factory men.

Workers work longer with less fatigue on these resilient, turf-like blocks, thereby adding more time to the productive day.

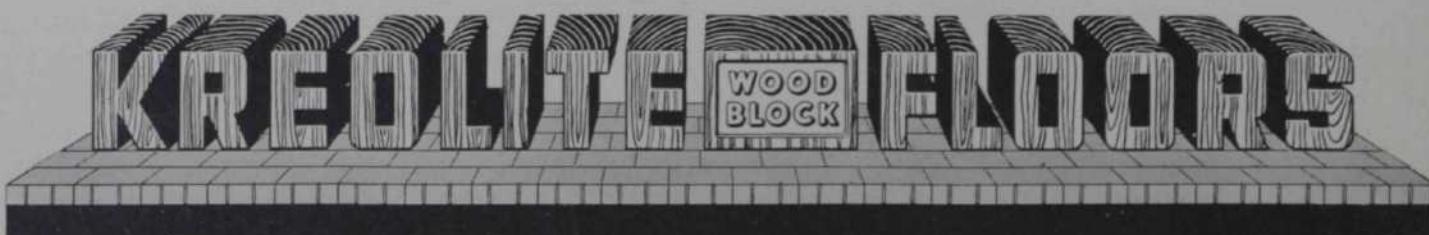
In addition, Kreolite Floors contribute to better working conditions through insulation against heat and cold; reduction of dust and dirt; protection of tools or parts accidentally dropped; decreased vibration.

A final coating of Kreolite Jennite, our exclusive final filler and finish, will cut down industrial accidents by making a floor spark-proof, skid-proof, oil and water-proof and clean.

All tough, end-grain wood, Kreolite Wood Blocks withstand terrific abuse. Installed block by block, they are easy to spot repair, a big advantage where machines must be moved often. Quick installation by trained Jennison-Wright crews eliminates delays to construction schedules.

To get all the facts on Kreolite, write

**THE JENNISON-WRIGHT CORPORATION**  
TOLEDO, OHIO • 23 Nation-Wide Offices  
KREOLITE RAILROAD SWITCH & INDUSTRIAL TRACK TIES  
PILEING • BRIDGE • DOCK • LUMBER



# MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

Washington is cheering up a bit. Reasons: War production is rolling at high speed; better than expected. Broad economic controls are now functioning; they are passing out of the painful stage for Washington but into it for the rest of the country.

Shipping is still the weak spot. War goods continue to pile up from the docks clear back to factories. Rate of sinkings continues to be disturbing. Some hope is held that this problem may be licked by late summer.

Russia is taken seriously here on her claim she can break Germany THIS year. Russian purchases in this country are supporting evidence.

June and July will be critical war months, both in Europe and the South Pacific. Tokio bombing and Coral Sea rout are losses of face which Japan will turn heaven and earth to counteract. Hitler needs a victory as he's never needed it before.

Washington still struggles to find a domestic propaganda line or theme. Every administrator is now singing his own tune; the disharmony is ear-splitting.

New approach may be this: stress self-denial, give up profits, accept lower standard of living—but only temporarily. Lean heavily on official promises that brighter days are ahead.

There's still not enough assurance that government really wants to preserve free enterprise. Many civilian government officers don't care a hoot about preserving the business system.

Social reform is still the keynote in

much of government effort. It's showing up in OPA, in the drive on patents, in boosts for socialized medicine, in talk of raising "sub-standard" wages.

Reform theories of Leon Henderson's subordinates appear in their disposition to make retailers and wholesalers fight for survival through changed business practices. Many of the subordinates were schooled in NRA and some of NRA's policies will be revived. Moves to look for include elimination of competing stores in a given area; squeezing out middlemen; elimination of sales inducements, window displays, etc.

Government is resisting effort of some big industries to tell the public through advertising what they are doing in war, and to keep their names before the public. This is NOT an official administration policy; it's mainly an attitude of subordinates, disturbing to the business man who tries to plan ahead.

Many such underlying forces are operating behind the scenes. It's a good idea to watch Washington closely.

Rationing shortly will spread over many commodities. Idea is more to curb inflation, raise tax revenue, and sell war bonds, than deal with shortages.

Money rationing is being talked. Idea is to go first into enforced saving, then give everybody money rationing books with paychecks, entitling them to spend just so many dollars. Variation of "blind ration book" plan. Treasury is toying with the idea.

Anti-inflation and tax measures con-

tinue to reflect definite policy of redistribution of wealth. Administration is reluctant to dip into lower bracket incomes where the new big inflationary income is. Congressmen who favor compulsory savings do so as means of tapping these small incomes. They fear post-war agitation for bond repudiation unless lower brackets have personal stake in nation's financial soundness, which enforced savings, siphoned into government bonds, would provide.

Planners are talking about shutting off new purchases of many civilian items now to build a "bank of wants" to be supplied after war. Probably this caused Morgenthau belatedly to propose lowering of personal income tax exemptions.

No definite limit will be fixed on salaries but high surtaxes will have same effect. The new tax law probably will, however, restrict compensation of big corporation executives.

More Congressmen beginning to urge delay in passing tax bill until after November elections.

Wage increases are to be controlled through the War Labor Board rather than by fixed ceiling, unless present plans are changed. Policy is to bring up lower income workers, keep a brake on high paid workers. Question is whether the brake will work. AFL and CIO opposition is determined; tests will be made in pending demands of automobile and steel workers for substantial wage boosts.

Basically, the administration policy is to boost living standards of wage-earners against those with incomes of \$5,000 and up.

Farm prices are to be held at parity levels or less. Congressional farm bloc will balk any move at formal ceiling on agricultural prices at less than 110 per cent of parity, but administration can keep prices at 100 with present controls and INTENDS to do so.

Farm vote no longer is depended upon by the administration to carry it through the post-war world reorganization. Instead, New Deal counts on labor and col-

ored votes in eastern states, plus the "Solid South" and scattered states with special reasons for supporting Roosevelt. None the less, the farmers will be the administration's most favored group of this war, next to labor.

Bureaucracy is growing like wild fire. Every new regulation and set of controls means new additions to the government payroll.

OPA has 4,000 on its payroll in Washington alone; wants nearly 3,000 more. Administration of price control and rationing throughout the nation may take upwards of 100,000 employees. Board of Economic Warfare wants 5,000 additional workers.

So-called "intellectuals" continue to pour into Washington. Many are getting into the War Production Board, although men with practical business background still predominate. The phrase "new concept" is much used in the Capital. A "new concept" is a new idea offered as a substitute for an old one formerly thought of as a truth.

"Maintenance of union membership" is a "new concept." It is looked upon as a reward to labor leaders for abandoning strikes and agitation during the war. Workers, once in the union, must continue to pay dues for the duration. Makes things simpler for the labor leader; assures union membership and financial strength. Old concept was that joining a union was like joining a lodge; you could get out if you wanted to.

Small business man has no guarantee in sight for his own maintenance. Subsidies are being talked about as means of softening the little business man, squeezed by price control, rationing, shortages. Producers of essential goods seem likely to get some form of subsidy; nothing in sight now for others.

Help for small businesses which want war sub-contracts is offered in plan under trial by War Production Board and Department of Commerce. Machine tools have been

catalogued with full description of their operations. Each tool is codified, ABC, DEF, etc. Department of Commerce will furnish catalogs. When prime contractors want parts, they advertise, using code numbers. Sub-contractors study catalog, and submit bids if they can produce what's wanted.

From here on out, however, the little man who hasn't gotten into war business will have slim pickings.

Peak of industrial construction will be reached this year. More men and materials will thus be released next year.

Talk about requisitioning private automobiles shouldn't be taken too seriously. It comes from young subordinates. No responsible official is for it now.

Chief concern of government in relation to motorist is to persuade him to conserve his car and tires. This is a major purpose behind gasoline rationing in East. Pleasure driving is distinctly out.

The new War Manpower Board has no intention of shifting huge groups of workers from one plant to another. Administrator Paul McNutt has set himself against any such policy. Additional legislative authorization would be required; he doesn't want it.

McNutt thinks of his agency's job as being that of a clearing house or employment office for war workers.

Of some 10,000,000 additional war workers needed during the rest of this year, 1,500,000 are expected to come from the unemployed, the rest from non-war industries. More women will be employed.

Employers on war work will be required to draw their workers from the Manpower Agency. No raiding of other plants.

Union membership will be required of those seeking jobs through McNutt's agency.

Leo T. Crowley is a rising power in Washington. Keep your eye on him. He will help temper the harshness of anti-holding company policies.

Control over the power industry's operations will shift largely to the War Production Board. J. A. Krug, head of WPB's

power division, is no old friend of the power companies, but they should fare better than under the old Power Commission and Leland Olds.

St. Lawrence Waterway and Florida Ship Canal projects are out. Congressional leaders refused to go along with administration on either.

Politics: Results of recent primaries were indecisive; revealed no specific trends. Best available survey indicates Democrats would gain 38 seats in House today. Too early to guess what will happen in November. Wait and see what happens in the war in the month or two preceding election. New Deal is attempting to pin the isolationist label on all who oppose it. Every effort is being made to make the New Deal and winning the war synonymous.

Owen D. Young is a possibility for Democratic candidate for governor of New York.

Sidney Hillman has disappeared from Washington; victim of rivalry among labor leaders.

Don't be surprised if James M. Landis quits as director of Civilian Defense. Landis tries hard but is under fire from state and local machines. Even firemen and policemen have figured in the backfire against OCD policies.

Washington has passed word down the line to put AFL and CIO representatives on local civilian defense committees.

Financing the war: Treasury still hopes to sell war bonds at rate of billion a month. Prospects seem reasonably good. Special bond issues for insurance com-



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panies and investor institutions probably will be offered periodically—repetition of "tap" issue which recently brought in nearly one billion dollars.

Idea of non-interest bearing bonds to finance the war is still agitated, but this is unlikely except as part of some kickback provision in the new tax bill.

Wallace and post-war: Vice President, head of BEW, is set to lead the fight for internationalism in post-war period—will make this his big bid for the White House in 1944.

There will be hot opposition, however. Standard Washington planning has been that U. S. and Britain will team up, police the world, collaborate closely in finance and trade. Now there's acute awareness that friend Russia will have a place in the driver's seat, and the talk is being shifted accordingly.

Rubber is example of post-war conflict as to trade policy. With nearly a billion plowed into synthetic plants, the political and labor pressure will be intense to KEEP this industry going. Wallace group will not accept this line of talk. But many will.

Other war-born industries will fight for survival. Japanese silk may be permanently displaced. May find we can do without tin. Great increase in industrial products from farm crops is likely. Soybeans seem destined for a bright future.

Keep an eye on Lew Douglas, former budget director, as possible new head man for munitions transport.

Planning to travel? Better do it quickly. Government officials are not kidding about shutting down on all but essential travel. Taking over commercial airplanes was only the first step. Railroads already have converted at least 350 Pullmans to coaches. There's an unofficial system of priorities already in effect on railroads.

Progress in solving local transit problems is reported from several sections. New York City has upped the permissible percentage of standees on street cars and

busses. Staggered hours and joint use of automobiles also are being widely tried. O.D.T. estimates less than 40 per cent of available space in passenger automobiles is being utilized.

Railroad freight ton-mile index will show big increase. Carloading index for April was up to peaks of 1926 and 1929. Longer hauls and heavier loadings are reported, with L.C.L. loading being down sharply due to O.D.T. order imposing minima per car.

The "fill up your coal bin" drive is already a success. Result will be to ease railroad congestion in fall.

Stocks of softwood "construction" lumber now in retail yards will be enough for essential civilian needs during 60 day freeze period, W.P.B. believes.

Treasury's drive for payroll allotments for war bond purchases will be stepped up immediately. About 10,000,000 persons have made allotments to date; Treasury wants at least 30,000,000 and not less than 10 per cent of gross national pay roll.

Don't expect the National War Labor Board to fold up as did its predecessor, National Labor Mediation Board. N.W.L.B.'s decisions are being accepted by all parties to labor disputes, largely because of war pressure.

Man bites dog item: Interior Department went even further than Budget Bureau and House appropriations committee in slashing its own appropriation for 1943. Department proposed additional cuts of \$10,000,000, and House committee promptly and gratefully accepted them.

Goal for aluminum production in 1943 is 850,000 tons.

Move to halt construction of new war plants followed debate on "chicken or egg first?" lines. Question was whether 1942 production of war materials should be stepped up to full speed by using critical materials for the products, or 1943 goals should be assured by using materials in new plants. 1942 won.

# SYMBOL OF FAMINE



**Y**OU REMEMBER the story of the seven ill-favored and lean-fleshed kine . . . the story of Pharaoh's dream, the nightmare that foreshadowed the seven years' famine.

Through the centuries, lean cattle have always been a symbol of famine.

And so often . . . *a famine of salt!*

For even in the midst of plenty . . . when deprived of salt . . . the familiar cow thins. Her sleek coat turns rough and shaggy. Her milk yield suffers. Her calves are born weak and anemic.

Realizing how potent is this menace which always lurks over field and barn . . . progressive farmers supply their cattle with plenty of salt. In the green pastures they place Sterling Salt Blocks . . . modern

replicas of nature's own salt-licks. In winter, they add Sterling Granulated Salt to the cows' forage.

Yet helping farmers is only one of International's far flung efforts. Leaders in glass-making, tanning and dyeing . . . in the meat-packing and canning industries . . . rely on International salt or salt processes. And salt serves in scores of other industries. Sterling Rock Salt with its "auger action" is also vital for snow and ice removal.

Would you like to test your knowledge of common salt? Just let us know where we can send you the important facts contained in the booklet, "Salt by International." International Salt Co., Inc., Scranton, Pa. Rock salt, evaporated salt, lixate brine, Sterling table salt—for industry, agriculture, the home.



Action, Machine-gunners! Within a few seconds after their truck has stopped this crew will have their machine gun firing. Typical of America's fast-moving army, this crack unit rides into action on rubber.

PHOTO BY U. S. ARMY SIGNAL CORPS FROM ACME

# VICTORY . . . . . . will ride on



*The Sign of Tire Inspection, Repairs and  
Recapping by Experts Who Know How*

In this war of movement, the part the rubber tire can play in bringing Victory is beyond estimate.

General has long been a leader in producing Quality tires that run farther with more safety.

Today, the full specialized talents of General Tire are being directed straight at the target of producing tires *that fight better*. Our rubber and *your* rubber is going into tires that fly; tires that carry men, arms, materiel; tires that need no road; tires that will *keep on fighting*.

Our entire organization at General . . . management . . . labor . . . office personnel . . . is working



ACME PHOTO

**Ready! Aim! Fire!** Waiting for the final command, the section chief holds his arm up, will drop it as the signal to the gunner to yank the lanyard and fire the field piece—a 155 millimeter howitzer. Such field pieces as this roll easily over any kind of terrain on General Traction Tread Balloon Tires.



ACME PHOTO

**Armored Division on Review!** This photo, showing part of the 2,000 vehicles of the Second Armored Division, illustrates the variety of military equipment requiring tires, tubes, and other rubber products manufactured by General.



PHOTO BY U. S. ARMY SIGNAL CORPS

**Supplies Are Vital**—and it's the responsibility of the Quartermaster Corps to get them to the troops in the field. Here is a long convoy of heavily loaded trucks on a mountain road somewhere in the western part of the United States.

# the Rubber you save

shoulder to shoulder . . . making our Victory effort one of helping every ounce of America's precious rubber contribute *directly* to winning the war.

Your job is to see that the tires on your car and on your truck deliver *all* the mileage built into them; that they are not abused; that they are kept in *top condition* until their last mile. That, even though you are eligible for recapping or new tires, you do not ask America to sacrifice any of its *war rubber* for you until it is absolutely necessary.

**THE GENERAL TIRE & RUBBER COMPANY**  
AKRON, OHIO

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ACME PHOTO

**This Army Goes Through Its Obstacles!** Uncle Sam's scout cars plow through mud, sand and over rough terrain because of the powerful traction of General's "non-directional" cleated tire.

## O.P.A. Calls the Signals

(Continued from page 25)  
tion of the confusion that will follow initial enforcement of price ceilings.

Wise merchants will watch the future carefully. They know that almost anything made from iron except urgent necessities will soon be off the market. They know that furniture will soon run short because the industry is being converted to war production. They know that typewriters, refrigerators, vacuum cleaners will become rare as old fashioned kitchen matches.

### New policies necessary

THE business man who isn't making or selling some kind of a gadget that contributes to manslaughter; helps fill an empty stomach; or clothe a human figure, will be in the same position as were phonograph store merchants when radios first came in. The smartest of those phonograph merchants are still in business. They altered their merchandise to fit the demand.

Today's problem is more complex than that and price fixing is an added handicap, but many of the same elements are present. Far-sighted trade association leaders saw it long ago. To single out one of them is perhaps

unfair, but the Hardware Retailers Association is a good example. They started adding new lines long ago. Hardware stores now are selling materials for blackouts, cameras, candles, clocks, glassware, paper goods, pet goods, luggage—even cosmetics and artificial flowers.

Everyone expects the real headaches to come over arguments about quality. Mrs. Jones may be furious when she finds one less stick of asparagus in a can. Mr. Jones may think his ten cent cigar is down to the five cent level. An undershirt may still sell for 50 cents, but will it be the same shirt? It is conceivable that as costs rise manufacturers will be forced either to quit or use cost-cutting methods that lower the quality. When the shirt is washed the fabric may not withstand the action of a cheaper laundry soap. Mrs. Igottgyped complains, the retailer throws up his hands, the O.P.A. board sends a voluminous report to Washington where, like as not, it will be buried for the duration.

Time, energy and tempers will be burned up to no avail.

But, when quality standards go down, it will be for lack of essential materials and inability to operate in a normal way

and not—except in a few cases—because somebody is trying to cheat.

The quality situation will become more acute this fall. Woolens, rayons, silks and some cotton goods will not be available when present inventories are exhausted. There will be substitutes, but they will be mixtures, probably as good as the original. Just the same, O.P.A. must fix a price ceiling for the substitute. Perhaps they can worry about that after they find a way to put a ceiling on things like straw hats that weren't on sale last March.

### Quality may be forced down

HOW quality may get a kick in the pants is illustrated further by the candy makers. Peanut bars sold for a nickel in March. The manufacturers can't reduce the size or quality, but peanuts have gone up from six cents to 13 cents. How can they put 13 cent peanuts in a five-cent bar that was priced for six-cent peanuts? Either the quality must come down or the price must go up or the manufacturer must take them off the market. There are hundreds of such examples.

Grocers' shelves will have a different appeal when the effect of government buying and tin shortage on canned goods shows up this summer. Sizes will become standardized and glass, cardboard, wooden and ceramic containers will predominate.

It will take a lot of squirming to maintain canned goods prices within the ceiling. The 1942 pack will cost more because both farm and factory labor is scarce and higher paid. The demand for canned goods is almost unbelievable. The Government is buying in trainload lots for the armed forces and lend-lease. War production workers are in better financial shape to buy all they can eat. With demand and costs both up, the natural tendency is to increase the price. But artificial factors have intervened. The Government has set a price which packers must pay for peas, tomatoes, etc. They can't pay that price and make a profit if the retail ceiling is frozen. Therefore, the Government may subsidize the packer so that he can pay the farmer a high price for his tomatoes and peas.

But the farmer makes no more than normal profit because of scarce, high-priced labor. Figure out where the squeeze will come yourself.

### Confusion in milk prices

THE status of fluid milk is still highly confused. Mr. Henderson included it in ceiling prices, but the original law exempted milk from price control in 30 cities where marketing agreements are in force. It may take legal proceedings to straighten out the confusion.

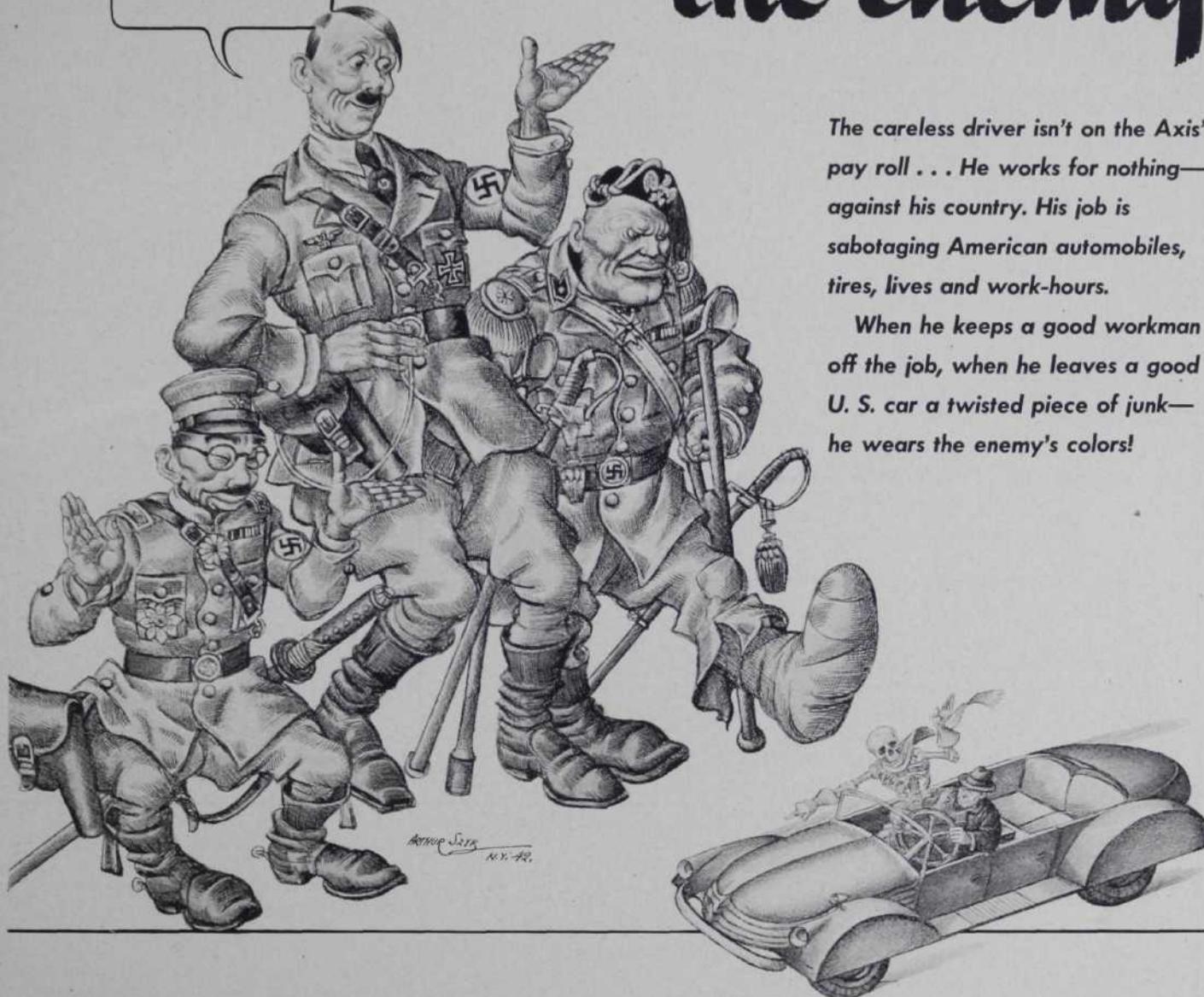
Milk distribution is a thorny problem. Gasoline and rubber shortages increase the difficulties. Uninformed observers say that dairy services are duplicated. The problem is more complex than simply merging four truck routes of four companies into one. Some dairymen claim that one truck couldn't even supply one large apartment in the big cities.

Some dealers are trying to put horses



It will take a smart merchandiser to find any possible method for holding sales

# Accidents help the enemy



*The careless driver isn't on the Axis' pay roll . . . He works for nothing—against his country. His job is sabotaging American automobiles, tires, lives and work-hours.*

*When he keeps a good workman off the job, when he leaves a good U. S. car a twisted piece of junk—he wears the enemy's colors!*

Driving "under 40" as the President asks will save tires. It will reduce accidents. It *doesn't* end your responsibility. If you hog the road, if you don't watch the car behind, if you don't signal properly, if you ignore warning signs, if you try to beat the light, if your mind isn't on your driving, you can cause a serious accident at any speed.

#### THE PLACE OF INSURANCE TODAY

The least anyone can do is to be able to pay for the consequences of the accident he causes. If you are a responsible driver, you are carrying insurance in one of the many fine companies. In case you have an accident,

your company will pay the damage.

But today when you take that car out you will realize no amount of insurance can replace an injured workman, no insurance can replace precious time lost. You will be thinking more than ever before about careful driving. Today you are driving safe, not just for yourself, not just for the other fellow—you're driving safe for Victory.

For the peace of mind good insurance brings, get in touch with the Lumbermens agent in your community. He is qualified to assist you with your insurance problems—for your home, your car or your business. If you do not know the Lumbermens agent near you, write: James S. Kemper, President, Lumbermens Mutual Casualty Company, Mutual Insurance Building, Chicago.

# Lumbermens

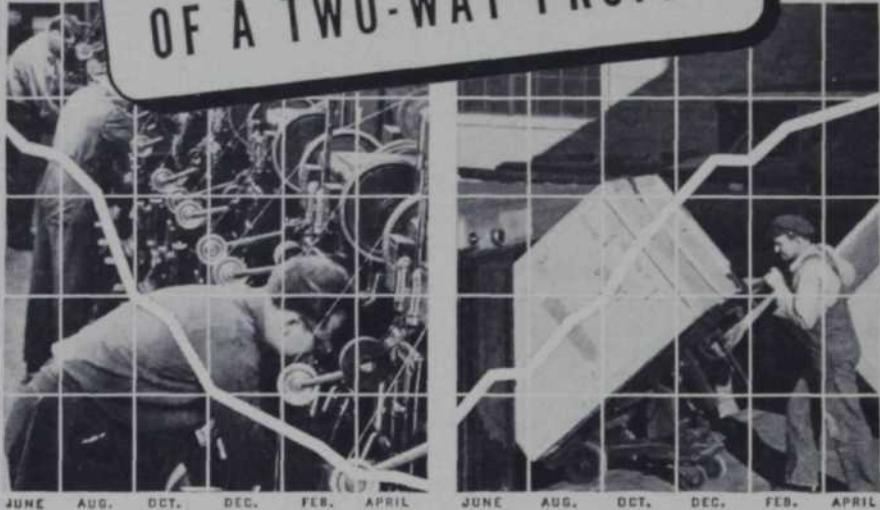
MUTUAL CASUALTY COMPANY

JAMES S. KEMPER, President  
Operating in New York State as (American) Lumbermens Mutual Casualty Company of Illinois

Home Office: Mutual Insurance Bldg., Chicago

# GOOD BUSINESS NEWS

THE INSIDE STORY  
OF A TWO-WAY PROFIT!



DECREASED PRODUCTION COSTS . . . INCREASED SALES

IN THE fiscal year ending MAY 31st, 1940, the COSMOS CO.\* did a business of \$3,210,671 and wound up \$95,214 in the red. Without knowing the inside story, you might shrug this off as a case of bad management.

The facts prove otherwise. They show that this well-operated company, producing a quality product, in good demand, was seriously handicapped by a financing arrangement which imposed many restrictions. Inability to supplement working capital with accommodations as needs required, resulted in production peaks and valleys that made unit costs excessive.

On June 1st, 1940 the company began to finance through Commercial Credit by cashing their receivables and obtaining advances against inventory located in their premises. From that day the story was different.

With an ample amount of working capital instantly available, production went on a regular schedule, and unit costs dropped. In five months, without any increase in sales volume, there was a profit of \$59,465.

As the year went on, the improved financial position permitted an expansion of sales, bringing additional profits in higher ratio. Comparison shows:

AS OF	SALES	NET PROFIT
5-31-41 (12 mos.)	\$3,907,080	\$128,579
11-30-41 ( 6 mos.)	2,464,509	98,110

Over the year-and-a-half period net worth increased from \$719,647 to \$957,745, and without any additional capital investment.

\* \* \* \* \*

Your financing program should be engineered to meet your particular needs, especially in these days when every company with a potential for war production work should be in a position to seek and accept Government contracts. We take quick and efficient action in working out plans to fit special cases. If you are interested, further information will be supplied on request. Write Dept. 1405.

\*A fictitious name, but the facts and figures, taken from our files, can be verified.

## Commercial Credit Company

"NON-NOTIFICATION" OPEN ACCOUNT FINANCING

Baltimore

Subsidiaries: Boston New York Chicago San Francisco Los Angeles Portland, Ore.

CAPITAL AND SURPLUS MORE THAN \$65,000,000

back on the route, but horses are scarce. Very few dairies have any appreciable number of old horse wagons left and the wheels will probably fall apart when they try to rejuvenate them.

The milk business illustrates well the fate of the little fellow. The small dairyman's profit margin is so little that he is forever skating on thin ice. He can ill afford to lose even a few customers. Gasoline and tire rationing make it difficult for him to serve thin routes, and now he can't raise the price to his remaining customers to increase his profit margin. The diminishing returns in the dairy business will be much more difficult for him to bear than for the big fellow who depends on volume for his profit.

But the people of this country will have milk. There is plenty and some way will be found to get it around. Perhaps retail stores will become the chief distributors. Neighbors will eventually get together, make their shopping tours in one car and bring the milk and groceries home with them.

### Retailers are in a squeeze

WHILE customers are wondering how and what they are going to buy, the retailer is worrying over how he will stay in business. Profits will go mostly into taxes anyhow, but every conscientious dealer feels that his part of the war effort is to help people live as normally as possible by supplying their needs. He has to make enough profit on salable items to pay overhead.

Take \$1.00 worth of canned goods for example. The wholesale price was 80 cents. It cost 18 cents to handle, leaving a profit of two cents. But that was the old wholesale price—the goods were bought some months ago. He finds it will cost 90 cents to replace them under the March frozen price edict. He can't sell for more than \$1.00, but his handling cost is still 18 cents. He will lose eight cents on every sale. That's why he wants the wholesaler's price rolled back to some previous period when the cost was 80 cents. But the wholesaler and manufacturer may have the same story to tell and therein O.P.A. reaches for aspirin. These things can be adjusted by ingenuity and cooperation, but it takes time and a \$25,000 working capital of a store doing a \$100,000 business might be wiped out before the adjustments can be made.

The traditional way to make up for short margins is to get volume, but where is volume to come from? There will be an ever declining number of items, especially in consumer durable goods, which made up such a large part of his sales. Customers stocked up in 1941 due to scare heads and fear of shortages. In March of this year, enough men's suits were sold to equal eight months' normal business. That surplus buying will show up this year in decreased normal buying because the customer will be stocked up.

Retail prices in May, 1942, were about 19 per cent above 1941 levels; therefore a store must do 19 per cent more business now to maintain the same volume. Without volume, the dealer must fold.

up or curtail by abolishing entire departments.

The problem of help is getting so serious in some sections that many retailers are thinking about curtailment regardless of price ceiling effects. One large store in Washington reports that it is no longer possible to hold a store-wide sale because they haven't enough help. Sales are now confined to one department such as the basement and clerks brought in from other floors to help out. Manager of the store said the only reason for sales today is just because the other fellow is still doing it.

If it is possible to merge with some other business, now is the time to look around. In England, only well financed stores or merged ones have survived—such things as a combination of a men's store and a leather goods store are a common occurrence. Most of the specialty shops disappeared long ago and the proprietors went to work either for the big fellows or in production plants.

One could hardly say that price ceilings were a failure in England where prices went up 28 per cent until April 1941 when ceilings were applied. Since that time cost of living has gone up only one per cent. Casualties have been numerous, but the ceiling remains. There is no wage ceiling in England but spending power is effectively curbed by exceedingly heavy income taxes.

The great question mark here is wages and farm prices. Uncertainty about what the farm bloc can do to keep farm prices from being controlled makes the price control structure uncertain. The President called attention to wages and said the War Labor Board could handle them. If the cost of living remains static, the labor unions would seem to have scant reason for asking increases, but the unions have generally opposed contracts gearing wages to living costs and are now insisting that March, 1942, living costs are not a fair basis. They want to go back to May, 1941.

#### Cooperation would help

BY AND large, the success of the act depends upon the ability of business men and O.P.A. to get together and compose their differences. Merchant Myers of Ashtabula and manufacturer Jones of Jeannerette are just as anxious to win the war as Leon Henderson. If the price controllers and business men have the patience to listen to each other and the willingness to admit errors there is a probability that they can hold the price front.

But the front is full of pitfalls and danger spots. Some of them have been listed in this article. The purpose is to arouse business men to what is confronting them. The time to act is now and not wait until your business is confronted with an impassable barrier. Thousands of automobile dealers have already been put out of business, but there are many others who converted their businesses into war production plants by their own initiative. It is going to be a tough job trying to make the hurdle, but it was a tough job for the soldiers in Bataan who are now eating fish and rice in a Japanese prison camp.

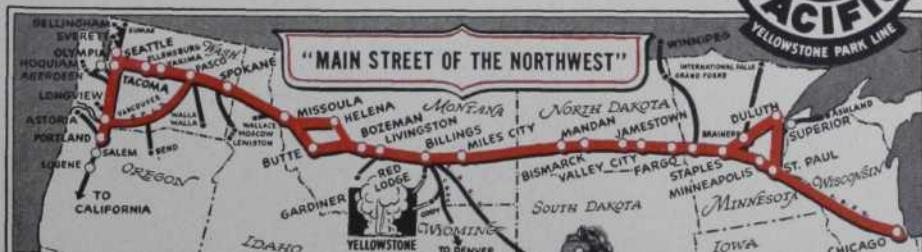
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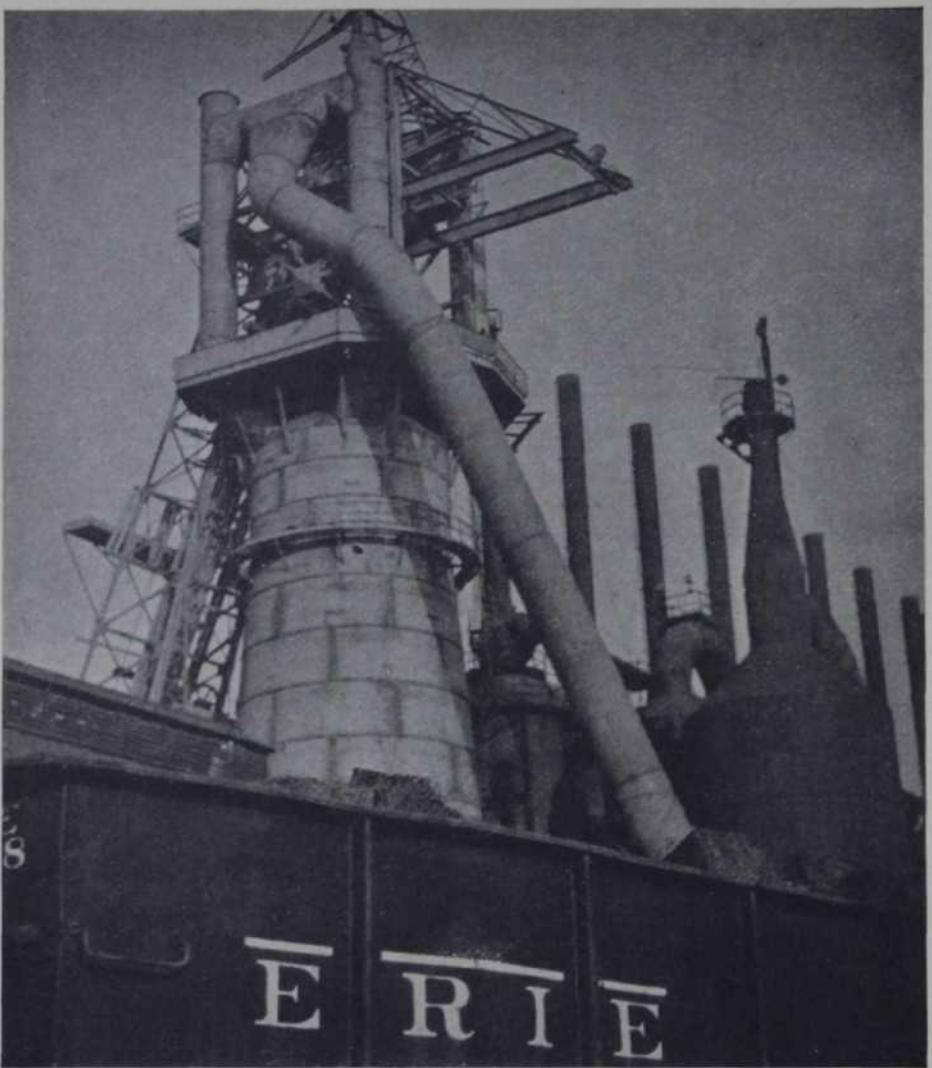
## The flower that makes battleships disappear

WHEN these bright blue blossoms fall and the boll becomes heavy with its oily seeds, another flax harvest begins. The 42 million gallons of linseed oil from Minnesota, North Dakota and Montana flax fields are eagerly absorbed by the paint industry which in turn furnishes the Navy with camouflage that allows our fighting ships to make the most of the strategy of concealment. This is the flax flower's magic.

An important link between farmers' flax crops and the big linseed processors is the Northern Pacific. Serving well its territory—so rich in the resources of war and peace—has earned this railway a title that perfectly describes its function: "Main Street of the Northwest".



**NORTHERN PACIFIC RAILWAY**



## From Girders to Guns

• Uncle Sam needs guns and shells and tanks and planes. We hustle not only ore but also scrap, whether it be old bridge girders or junked automobiles, to the hungry mills. We speed steel to the fabricating plants. Then we rush the finished products on their way to meet the enemy.

Erie is prepared to "keep 'em rolling." In war as in peace —you can expect fast, safe, dependable service whenever and whatever you ship via Erie.

For any transportation information see the local Erie man.



## When Women Wear the Overalls

EMPLOYMENT of women at men's jobs in industry has now passed beyond the Sunday supplement novelty stage. With the draft taking from 150,000 to 200,000 men a month, it is estimated that this year about 1,000,000 women must be hired if war production is to follow schedules.

In a report on "Women in Factory Work," the National Industrial Conference Board says that manufacturers who expect to hire women for the first time will do well to investigate in advance some of the special problems posed by their employment. Among them are these:

Check up on state laws affecting women in industry.

Determine by job analysis what jobs you have that are suitable for women.

Make relatively unsuitable work fit them by concentrating heavy lifting and trucking into a few jobs to be done by men.

Plan new safety precautions.

Prepare locker space, rest rooms and other facilities for women.

Set up a wage structure for the new jobs.

Decide what to tell the new workers about their job status after the war is over.

Make any necessary arrangements for transportation and protection of women going to and from work, especially on night shifts.

Plan an adequate training system.

### Environment counts for much

IN addition to certain obvious limitations such as inferior strength and endurance, there are a number of characteristics that affect women's employability in factories. The Conference Board finds that, while with men it is the job itself—the work and pay—that counts, the environment is a major consideration with women. For them to be contented on the job means working with the right associates. One company began by investigating the background of female applicants carefully. After a while these requirements were relaxed. As a result, about 30 per cent of the women employees quit because they did not want to associate with the new girls being hired. The conclusion from this was that "the employment together of girls of different backgrounds results in a leveling down rather than a leveling up process."

Women are inclined to be more patient with detail than men, but they display less initiative, are to a greater degree "creatures of habit." They are quicker to see and resent any evidence of favoritism by supervisors. A foreman of a women's unit must lean over

backward to avoid any possible partiality for one worker over the others. One company advised that, to preserve their respect, the foreman must beware of even such slight favors as lending money for a phone call or giving a girl a lift in his car.

Those consulted in the course of the Conference Board's study were practically unanimous in the opinion that women work better under male supervisors. The efficient woman supervisor often is as hard as nails—too hard for either employees or management to put up with.

"Women are likely to resent working for another woman and to think she's gotten the job because of favoritism."

But women instructors are probably to be preferred to men when new female help is being broken in.

#### Limits on woman's work

EXPERIENCE both in this country and Great Britain shows that the maximum work week consistent with unimpaired health and efficiency is about five hours less for women than for men. Absenteeism for men in one American metal manufacturing plant was 2.5 per cent of the time, and for women 8.6 per cent.

But with all these limitations there are still many factory jobs for which women are considered well fitted. Among these are:

1. Work requiring care and constant alertness. The use of light instruments such as gages, micrometers, vernier calipers, etc.

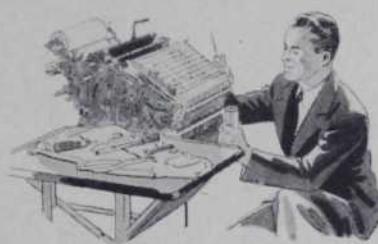
2. Work requiring manipulative dexterity and speed, but which permits the worker to set her own tempo and work in a sitting position.

3. Work requiring considerable skill but little strength, either in handling parts or setting up machines.

The Conference Board report shows that, while there is general agreement, in principle, that women should be paid the same wages as men when they do the same work, in practice there is considerable justification for a differential. First reason given is that men are more versatile than women. They can be switched from one job to another more readily, or called upon for some extra duty or overtime spurt. Among others cited are women's higher rate of absenteeism, legal restrictions on hours and kinds of work they can do, closer supervision required for women, and expensive alterations in plant facilities made necessary by their employment.

How can women with the right qualifications be recruited for factory work by firms whose men are being inducted into the armed forces? One of the best sources, according to this study, is the friends and relatives of present employees.

# TIMELY WARTIME HELPS FOR BURROUGHS USERS



#### MECHANICAL SERVICE

Burroughs' own salaried, factory-trained, factory-controlled service men inspect, lubricate and adjust Burroughs machines; make repairs and replacements with genuine Burroughs parts.



#### OPERATOR INSTRUCTION

Burroughs renders timely and valuable assistance by showing operators how to make full use of the many time-saving features and advantages that are built into Burroughs machines.



#### ADVISORY SERVICE

Burroughs representatives, trained and experienced in machine systems and installations, are fully qualified to suggest time-saving short-cuts . . . to counsel with users in meeting today's accounting requirements with their present Burroughs machines.



#### INFORMATION LIBRARIES

Every local Burroughs office is kept supplied with the latest information on how Burroughs machines are being used to meet today's increasing and changing accounting requirements. This information is always available to Burroughs users.

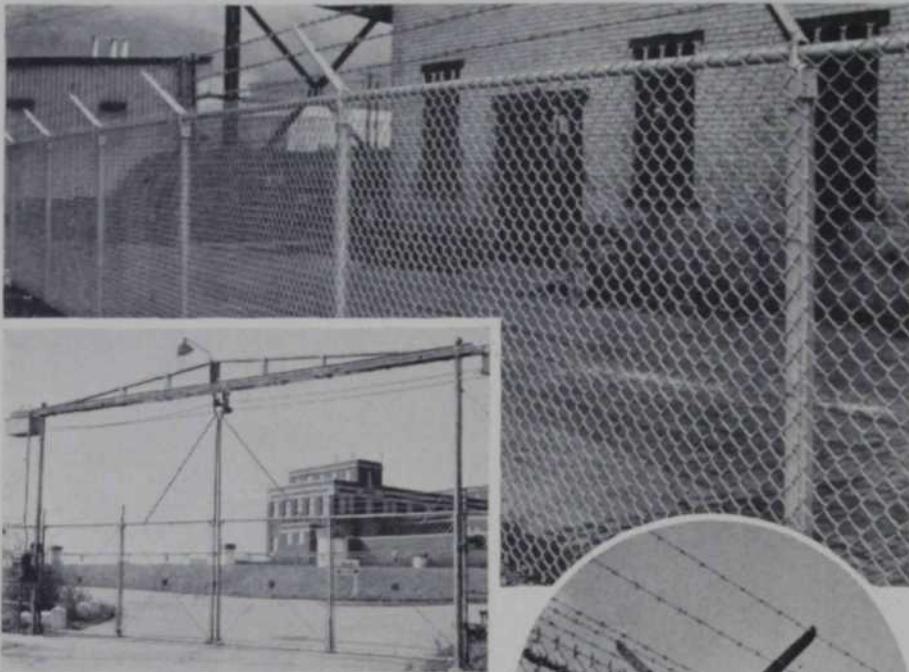
For years Burroughs users have profited by the various services that Burroughs provides to help them get the most out of their Burroughs equipment. Today, under wartime conditions, these services are more important than ever before.

Thousands of Burroughs users are taking advantage of these services to prolong the life of present equipment, as well as to meet the increasing demands and changing requirements of today's accounting.

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICHIGAN

# Burroughs

# Spies and Saboteurs —don't like Cyclone Fence!



Spies and saboteurs know that their chances are far from good when a plant is enclosed with U-S-S Cyclone Fence. They realize that the tough wire mesh and the barbed wire top make their job difficult—and are sure to spoil the get-away.

Cyclone Gates are easy to operate. The sliding gate illustrated above is controlled electrically from inside the plant. Cyclone single and double drive gates swing on ball-and-socket hinges.

The Cyclone Victory Fence at the right, with its barbed wire extended on both sides of the fence gives maximum protection. Other types of fence tops are available.

Cyclone's own factory-trained erection crews can build your fence for you. These men know how to build fence right. They are on our payroll and we are responsible for their work.

THOUSANDS of plants vital to America's war effort are guarded from spies and saboteurs by U-S-S Cyclone Fence. Not only the plants themselves—but yard inventories, railroad sidings and parking lots as well. And many have extra enclosures around danger spots within their plants. Only when every person must show credentials at guarded gates can you feel sure about your property.

We will gladly help you work out your fence problems. There is no obligation in asking for the help of our experienced men. When you buy fence, remember this. More plant owners choose Cyclone than any other property protection fence. The reason is found in Cyclone's reputation for sturdy, long-lasting fence. In our fifty years of fence building we have learned how to do the job right.

#### CYCLONE FENCE DIVISION (AMERICAN STEEL & WIRE COMPANY)

Waukegan, Ill. • Branches in Principal Cities  
United States Steel Export Company, New York



## CYCLONE FENCE

UNITED STATES STEEL

### Naked in a Gold Fish Bowl

(Continued from page 26)

mendous. Their morale gets shaken and they wear themselves out. There are some excellent men who have just fought this thing through. The accomplishments of WPB have not been my accomplishments, they have been the accomplishments of these loyal, hard-hitting, hard-working, earnest men. I can't speak too highly of the attitude of many of these men who have come down here, willing to work 12, 14 or 16 hours a day, seven days a week if necessary, to accomplish a particular job. It is my anxiety for these men. We need more men to come down, so that they won't have to wear themselves out. I tell every man who comes down here that he is swimming in a gold fish bowl, naked. Everything he does is exposed to the public view, and should be. He is a public servant. As such, he may find all sorts of groups who may dislike things that are being done and who may make pot-shots. It isn't that (to which I am objecting). It is more the feeling of a sort of concerted criticism to which he is subjected and which makes him suspect—the fact that he is a business man. The nature of it, the continuity of it, the constancy of it make him feel in his own heart that he is a suspect because he is a business man.

**Chairman:** When a man does not want to come, you just give us his name. We will bring him down here, and if he fears criticism we will give it to him first and let him go to work.

**Connally:** One of the chief things you and your organization can do is to develop a thick skin. *You ought to have a rhinoceros character if you are going to serve your country.* . . . I want you to develop that thick cuticle because you will need it every day you stay down there.

**Nelson:** It is getting thicker every day.

**Connally:** I don't cast any reflections on the business men. I always did wish I had been one myself. . . . When I see the great things they have, the rewards that come to them, and the ease with which they live and afford to come down here, I have always wished I had been a business man.

**Nelson:** That, may I observe, is a delusion, like the ease of living in Congress.

When the story of this conflict goes into the record books, perhaps tomorrow's schoolboy can thrill at the thought of a resigned business man returning home from the Washington wars:

"I regret I had but one hide to give for my country."



#### 32-Page Book on Fence



Your Fence

Send for our free book on fence. Crammed full of facts, specifications and illustrations. Shows 14 types—for home, school, playground and business. Buy no fence until you see what Cyclone has to offer.

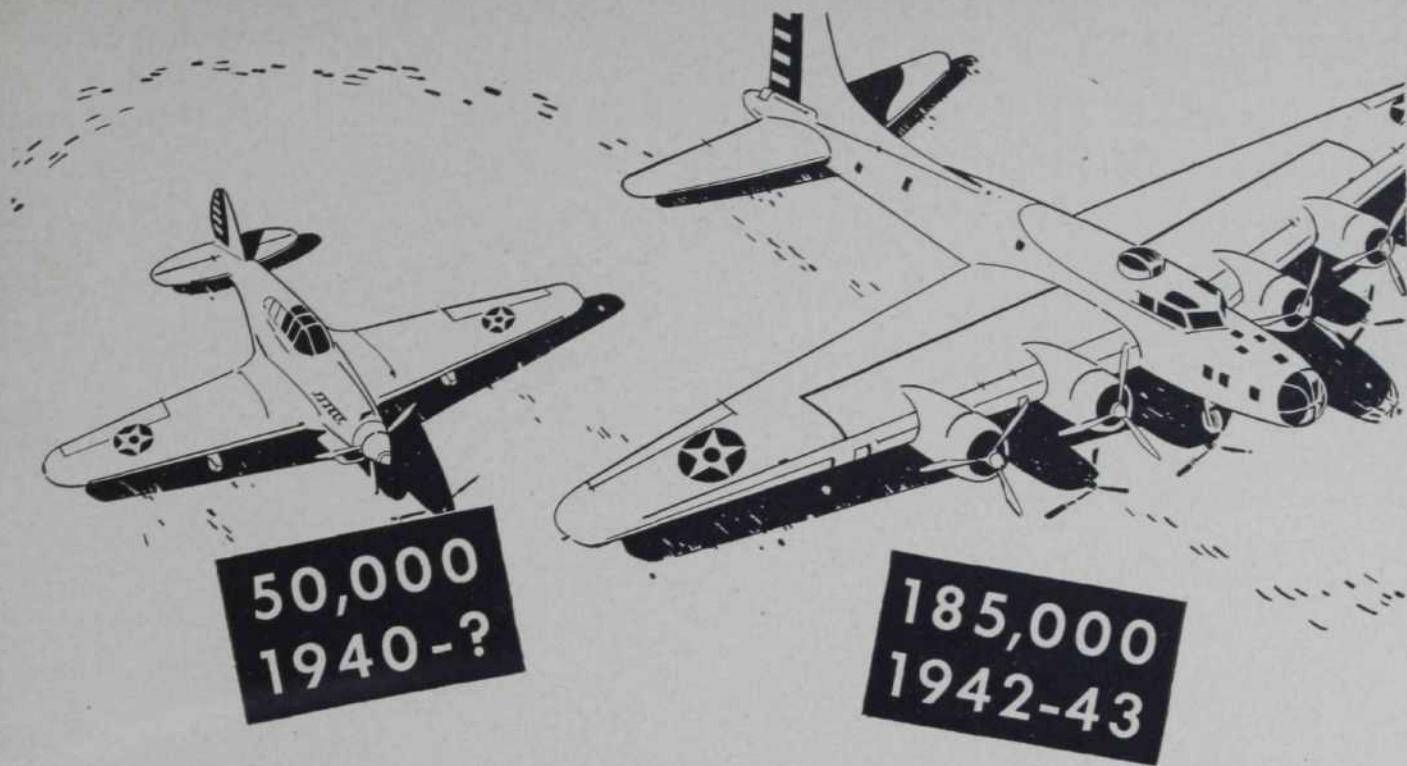
CYCLONE FENCE  
Waukegan, Ill., DEPT. 562

Please mail me, without obligation, a copy of "Your Fence—How to Choose It—How to Use It." I am interested in fencing:  Industrial;  Estate;  Playground;  Residence;  School. Approximately \_\_\_\_\_ feet.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



## NUMBERS

are only one-third the story

The second chapter is size.

Those 50,000 planes set up as a goal by the President, almost exactly two years ago, called for an average of 6,000 pounds of aluminum per plane.

Today the country is thrilled to know that the schedule calls for 60,000 planes this one year of 1942. The same schedule calls for 125,000 planes to be built in 1943.

But: These 185,000 planes will require an average of 12,000 pounds of aluminum per ship—almost *twice as much aluminum per plane today* as the makers of aluminum had to provide for each plane only two years ago.

The job is being done. That there is so much aluminum so soon means that it is coming largely now from new large plants we planned as early as 1938 and

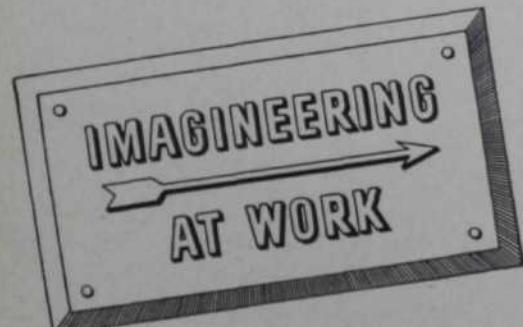
started building in 1939.

The third chapter is price. Alcoa aluminum ingot is actually 25% lower in price than before the war. This is one ceiling that moved down.

More planes, bigger planes, and cheaper aluminum to make them with! It is what we mean by Imagineering: audacious planning, courageous building, unrelenting production, and an *eye on costs* all the time.

Imagineering is a word for the future, too. There is time, even today, to let your imagination soar into the future, to be curious about what this cheaper aluminum can do in your business. We might even have some answers, for us both to file away, for future reference—

ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh, Pennsylvania.



# ALCOA ALUMINUM



# NO BUSINESS *Can Escape* CHANGE

That part of business still working  
for civilians is rapidly turning out  
substitutes for war-scarce goods

1 • A NEW TYPE adjustable wrench allows adjustments in the opening of the jaws by simply sliding a band lengthwise on the handle. It is tightened or loosened with a zip of the handle band up or down.

2 • A NEW SUBSTITUTE for rubber bands is a tag with a string attached so that it can be put around the package and tied with a simple twist around a paper button on the tag.

3 • METAL CANS can be replaced for many products with new containers utilizing cellophane-laminated sheets or cellophane-lined chip board containers. Several types useful to different products have already been developed.

4 • A BELT for carrying first aid equipment is made of water-repellent canvas. It's adjustable, allows free use of both hands, has the materials usually found in a medium sized kit.

5 • A COATING for the interior of tanks used for transport of bulk petroleum prevents electrolysis, dries quickly, may be brushed or sprayed, is flexible, has excellent adhesion to clean metal surfaces.

6 • A PHOTOELECTRIC control for turning off signs, or other lights, has been developed to be actuated by the nearest street light. It is highly directive to be subject only to the control of one light at which it is aimed. It does not interfere with the normal functioning of time switches.

7 • A NEW HAND truck has a hydraulic lift platform and electric drive with battery to handle loads up to 6,000 pounds at safe walking speed. Two speeds forward and two in reverse make for easy maneuverability.

8 • FOR QUICK tests of acidity-alkalinity there is a combination of wide-range test paper with buffer sets of known pH. The direct comparison avoids the confusion of comparing wet paper with the different texture of printed comparison slips and also obviates the possibility of faded dyes.

9 • A PROTECTIVE coating for tanks, ducts, and the like is unaffected by acids and alkalis at working temperatures. It can be applied by brush to all surfaces including ceramics. It softens at 300 degrees Fahrenheit.

10 • FOR SCREWS, nails, or hooks that become loose in wood, tile, plaster and the like, there is a fiber powder which, after moistening, sets up to make a permanent plug.

11 • A NEW MECHANICAL pencil feeds a dozen 2½ inch leads through its point without stopping to reload. It uses triangular leads aligned with a triangular barrel so that the pencil can always present a point to the paper.

12 • EXTRUDED plastic strips are now made for joints with heavy wallboards and insulation materials. The resilient strips are shaped to secure themselves when forced into the joint, thus making unnecessary visible fastenings.

13 • A RECENTLY developed chemical is said to remove stains and odor of perspiration and is harmless to all fabrics. After treatment, it will continue to absorb perspiration odor for some time.

14 • MULTIPLE V belts are now made with a tougher black cover to give longer wear, more uniform pull and higher resistance to heat and oil. They are sold in sets which are precision matched under operating tensions.

15 • A NEW GLASS fiber board for blacking out war plants serves also to reduce damage from bomb concussion. The fibers are treated with a binder to make a self-supporting, fire-resistant material. The material also provides good heat insulation and sound absorption.

16 • FOR DISPENSING heavy, viscous materials such as sealing compounds, insulating materials, putty, heavy lubricants, there is a new line of pumps that saves much time over the putty knife and paddle methods. Two sizes are made—for drums, and for smaller containers.

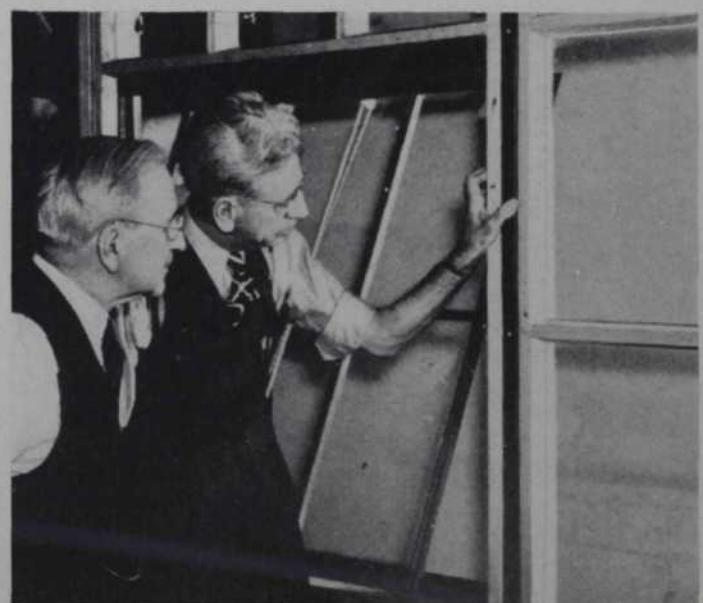
17 • A NEW CLEANER for typewriter type is said to work quickly and easily, with less muss. It is non-inflammable.

18 • FOR THE CONTROL of "brown patch" on turfs there is made an organic fungicide said to compare favorably with the mercury compounds used when they were available.

19 • A NEW RESPIRATOR for protection against toxic dusts is made with the entire face piece a filter thus giving full vision and maximum protection area in minimum space.

20 • A COLORED fabric hood to slip over flashlights reduces the beam to a faint glow for blackouts. It's elastic to fit all sizes.

21 • AN ELASTIC thread has been developed which is made from synthetic rubber. Available only for military uses, it may have important later uses as it resists aging, perspiration and other enemies of natural rubber. It has elongation and comeback comparable to natural rubber thread.



22 • A WOOD SASH has been designed to replace the conventional industrial steel sash. It has simple construction, an improved method of glazing, and should have advantages over steel in some exposed uses even after wartimes.

—W. L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

## Beyond Compromise

(Continued from page 30)

threat are applied to make members of the other group change their minds, it's easy to see what that will lead to. Any live-wire union business agent knows he can convert the union security shop into a practical closed shop.

**5. Union Shop:** The employer may hire anybody he pleases, but every new employee must join the union within a specified period or be discharged. The C.I.O. strategists thought up this one because it doesn't sound as bad as "closed shop" and they would just about as soon have it. For all practical purposes it is almost the same thing. As a "compromise," the union shop might be compared, from the management standpoint, to a truce between Britain and Germany in which their differences would be compromised by the Germans occupying only the east coast of England.

**6. Closed Shop:** This last step reaches the absolute rule that none but a union member may work for the contracting company. The closed shop with check-off—company deduction of union dues from pay envelopes—is the ultimate Nirvana of the union boss. With that in the contract, he has nothing more to worry about. With anything less, few union leaders are satisfied. Thanks to government help, they are now well on their way to its realization.

Just now the C.I.O. is plumping for that type of "compromise" known as Union Security. The National War Labor Board has assumed the power to impose this form of contract on employers and employees without their assent.

Because all members of the Board agreed to a precedent of considering cases involving closed shop demands, the impression has been fostered by some of the compromisers that the imposition of "union security" by the Board was done with the concurrence of its members representing industry. Nothing could be farther from the facts.

In each of the three cases in which the Board has directed employers to sign contracts agreeing to discharge every man who leaves the union, the four industry members of the panels participating dissented from the majority opinion. In the Walker-Turner case they said:

The principles involved here are fundamental. We are not concerned with a voluntary agreement accepted by management, union and employees in the process of collective bargaining. On the contrary, we are concerned with a directive order of this Board requiring a union maintenance provision over the objection of management without first ascertaining whether the workers affected approve or not. To arbitrarily impose these obligations without the consent of those affected, in our opinion will tend to destroy the cooperation so essential to maximum production.

The minority opinion in the parallel case of the Federal Drydock and



**UNITROL**  
REG. U. S. PAT. OFF.

*Vital to Maximum Production*

**LET THIS TIME-SAVING, SPACE-SAVING,  
PRODUCTION-SAVING METHOD OF  
HOUSING AND CENTRALIZING  
MOTOR CONTROL SERVE YOU NOW**

EVERY moment of delay, every extra and unnecessary machining, assembling and installation operation, every unnecessary interruption to vital production, every diversion of manpower from production to maintenance now assume tremendous importance. They must be eliminated. That is why men responsible for the fate of America's production effort are turning to Unitrol...the modern and better way of housing, installing and centralizing Motor Control.

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The Individual Unitrol Section houses Motor Control for several motors or motorized machines, is compact, space-saving, convenient and economical.



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1892-1942  
50th ANNIVERSARY

# What will they inherit?

"Inheritance, estate and other taxes were mentioned specifically in connection with this forced sale of stock," says a financial journal.

Life insurance, to provide cash for the taxes, might save your heirs from a sacrifice of assets.

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*Hardware*  *Mutuals*

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Hardware Dealers Mutual Fire Insurance Company, Home Office, Stevens Point, Wisconsin  
Minnesota Implement Mutual Fire Insurance Company, Home Office, Owatonna, Minnesota

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OFFICES COAST TO COAST... EACH COMPANY LICENSED IN EVERY STATE

**AUTO INSURANCE... BURGLARY... FIRE... GENERAL LIABILITY  
PLATE GLASS... INLAND MARINE... WORKMEN'S COMPENSATION**

Shipbuilding Company included this bit of forceful logic:

We cannot subscribe to any national labor policy which compels an unwilling employer to force an unwilling employee either to join or to remain a member of a labor union.

This is the Government's labor policy as it is now emerging from these decisions. The question is no longer one of the merits or demerits of the closed shop, but whether the federal Government should use its power to force certain types of contract on employers. If that power is established, collective bargaining will become a thing of the past, and labor relations will be conducted from Washington.

The irony of this labor policy is the inconsistency into which government can fall when it takes sides with one group of its citizens against other groups. The National Labor Relations Act says that it shall be an unfair labor practice for an employer to coerce or restrain his employees in the exercise of their rights of union affiliation and bargaining. The National War Labor Board makes that clause a scrap of paper by requiring an employer to force union men in his employ to remain in the same union or lose their jobs. And no protest comes from the National Labor Relations Board. Thus the N.L.R.B. itself, by its very silence, joins the compromisers, when it sees another agency of the Government nullifying part of the law that it is charged with responsibility to enforce.

Principle has been prostituted by administrative expediency. Only legislative action can give the country back a labor policy restoring the freedom to bargain and the right to work.

## The Parking Problem

"REAR LOT" parking in its 30-block business district is Beverly Hills' solution of the congested street problem. Under a state law passed last year, the Los Angeles suburb is preparing to provide free municipal parking by asking business property owners to give up their "backyards" for car space.

The state law, first of its kind, enables 25 per cent of the property owners of any city or community to establish parking areas, financing them through a bond issue. Bonds are limited to 20 per cent of assessed valuation of each parcel of real estate. Maintenance of free areas is held to five cents annually for each \$100 assessed valuation.

First step is passage of "ordinance of intention." If there is no objection within 30 days, a bond-sale ordinance will be proposed, with another 30 days allowed for protest. Protest by 50 per cent of the property owners would shelve the project for a year. A single property owner with a convincing case of "inequitable hardship" can halt the procedure.

# MANY LARGE COMPANIES ARE NOW TAKING A CENSUS OF EMPLOYEES' CARS AS PART OF NATION'S PROGRAM TO GET 40,000,000 WORKERS TO THEIR JOBS ON TIME

## VOLUNTARY TRANSPORTATION COMMITTEES TO ROUTE FULL CARS TO WORK ARE SET UP BY PLANT EMPLOYEES IN EACH COMMUNITY

The problem of getting 40,000,000 workers to their jobs is being taken over by America's car owners. Neighbors are already doubling up to go shopping, to take children to school, to go to work . . . but not enough of them! Your company and your employees can co-operate by taking a census of workers' cars. Here's how you can do it in your community: (1) Fill out cards, like the one shown here, (2) Sort cards by residential districts, (3) Select sectional committees to act as traffic control groups for each district to assure equitable use of cars, (4) Route full cars to work on every shift. Details can be worked out quickly by you . . . your workers . . . your community. The important thing is to start today to get every last mile of use from our cars, our gas, our tires!

**Make a map** like the one above, on which to chart the routes for each residential district. Dots indicate workers' homes; circles indicate workers with cars.

**This card** is a sample guide. Make changes to suit your needs. Reprint or copy form on filing cards for each worker to fill out and turn in to your Transportation Committee.



**Trolleys can't do it ALONE.** Even with staggered work hours to level off transportation peaks there aren't enough trolleys to take America's millions to work.



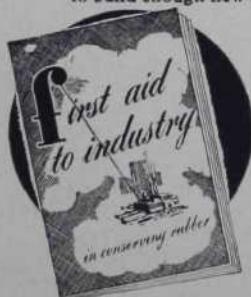
**Buses can't do it ALONE.** They're already taxed to their full seating capacity. And enough vital steel and rubber can't be spared to build enough new buses.



**Trains can't do it ALONE.** Although every railroad is cooperating 100%, many of America's mighty war production plants can't be serviced by trains or subways.

### HOW TO CONSERVE MECHANICAL RUBBER GOODS

This 48-page book is for managers, engineers and plant operating men. It shows how you can conserve rubber through proper handling, installation and care of rubber conveyor, elevator and transmission belts; all types of industrial hose; packings; linings; rolls; mountings; and other mechanical rubber goods; and electrical wires, cables, and tapes. For free copies, write directly to Mechanical Goods Division, United States Rubber Company.



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## UNITED STATES RUBBER COMPANY

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## "Holding Hands with Hitler"

(Continued from page 19)

\$30,000,000. Many of the other deals were similarly sweetened. The Germans have been eager for dollars ever since 1918, first to pay reparations, then to rehabilitate, then to buy raw materials. The Nazi Government itself was eager to get dollars. Only a few years ago German firms sent racing cars over here to lure American firms into paying dollars for beryllium patents. As late as 1938 Farben sent two German experts over here with five tons of rubber to work directly with American rubber companies.

The Germans were further able with their bargaining edge in patents to bind the American signers not to sell to other specified countries. This is the legal right of a patent-owner anyway, to dictate geographic limits on a license. Besides the Americans couldn't have got their hands on the patents otherwise.

No one will ever be able to say with precision whether on balance the German or the American companies got the better of these deals. They were a huge poker-game in which time alone could tell the winners. But in trial by newspaper the companies are wrong either way: Antitrust criticized Standard and Aluminum for buying themselves into a chance for big money but charged General Electric with buying a lemon in the form of basic patents later upset by the courts.

### Patents helped us

BUT, from a national point of view, there can hardly be any reasonable doubt that the American companies, as an incident to their profit-seeking, made available a large stock of patents and synthetic know-how of which this country would otherwise be in sad need today. Rohm & Haas put it:

If we had not made (these deals with the Germans) there would not now be an inch of Plexiglas in an American bomber or fighting plane today.

Remington Arms said that its 1929 deal with the Germans:

Helped rather than hindered the military production program in the United States. . . . Without such an agreement, tetrazene would not be available at all to the United States Government.

Krupp-owned patents on cemented tungsten carbide became the basis of General Electric's development of carboloy, the metal-cutting tip "more precious than diamonds." And the barrel of patents Standard acquired in 1929 became the basis for buna rubber and

toluol and helped greatly in the development of high-test gasoline.

Thurman Arnold's men made a strenuous effort to show that, in these deals, the Germans got more value in patents and know-how than did Americans. But it seems on its face unreasonable to suppose that Yankee bargaining ability would be so feeble that, even after sweetening the deals with dollars and with the acceptance of restrictive clauses, American firms with an initial inferiority in patents, bargaining with the world's greatest source of synthetics, would nevertheless give the Germans more value in patents than they got.

Antitrust ransacked the files of American corporations and took thousands of documents from them. In the multiplicity of details there were bound to be instances of valuable patents and technical information going to the Germans. But Republicans can be found in Alabama, red-heads in China, and other anomalies, exceptions, and minorities

were released to American use but proved of little immediate value. A patent is like a seed. It must be cultivated. The owner or licensee must experiment with it, improve on it, learn how to use it, build pilot plants and develop a staff familiar with it.

This these American firms did, through the "lose-your-shirt" stage, sinking heavy money in these German patents. Had they not done so we should have been caught short again on the most important synthetics as in 1917.

### Germans may have sold out

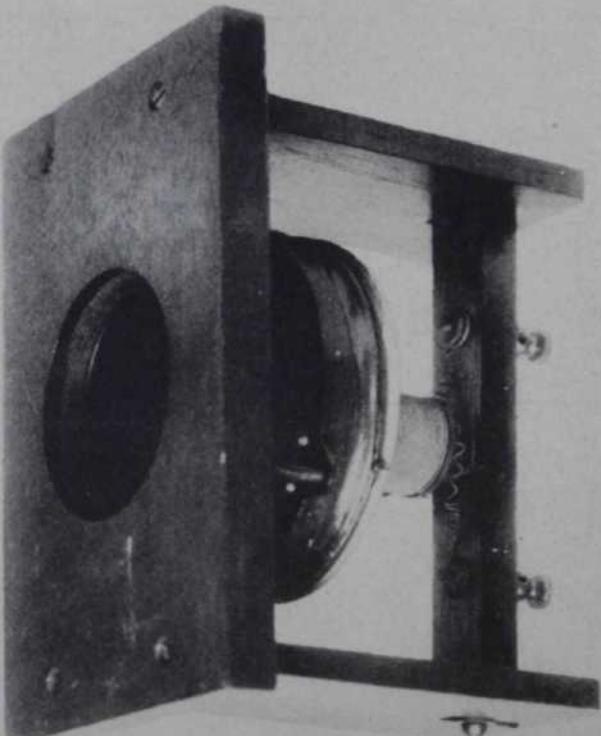
IN FACT, while it may sound ungrateful to say so, it looks as though it was German rather than American business whose profit-seeking turned out to be to national disadvantage. The war has suddenly proved synthetics to be of vast importance. Germany had the edge on the world in this field, and Germany sold it for a mess of dollars. As for the myth that German big business started and financed Hitler, the half-truth in that has been exposed time and again. Some German big business was for him, some against, just as the line between his supporters and opponents cleaved the whole economic and social structure of Germany.

No distinguished service medal is due American business for having brought from Germany the seminal patents for synthetic rubber and gasoline, toluol, tetrazene, plexiglas, fine optical glasses, beryllium, and so on. They only did it for money. But neither is there any reason for damning them as traitors.

Much is being made in the hearings of alleged slowness in the development of these processes in this country compared with Germany. But the brutal fact is that America was industrially asleep in the '30's. These novelties sold hard or not at all. Company after company recited the history of their efforts to market them, even to the armed services, for long in vain. For a single instance, Carboloy machine-tool cutting tips could hardly be given away in an era when the sales of machine tools dropped from \$175,000,000 in 1929 to \$22,000,000 in 1932 and steel operations dropped to 17 per cent of capacity.

As for the recent record, it is overwhelming. Aluminum Corporation stockpiled nearly 100,000,000 pounds of aluminum in 1939 against war contingencies, and, against an output in that year of 330,000,000 pounds, production rose to a current rate of more than 1,000,000,000 pounds. It is scheduled to go to 2,100,000,000 pounds. The magnesium goal is a rate of 725,000,000 pounds against a 1939 output of 12,000,000. Carboloy production in 1942 is slated at 45 times that of 1938.

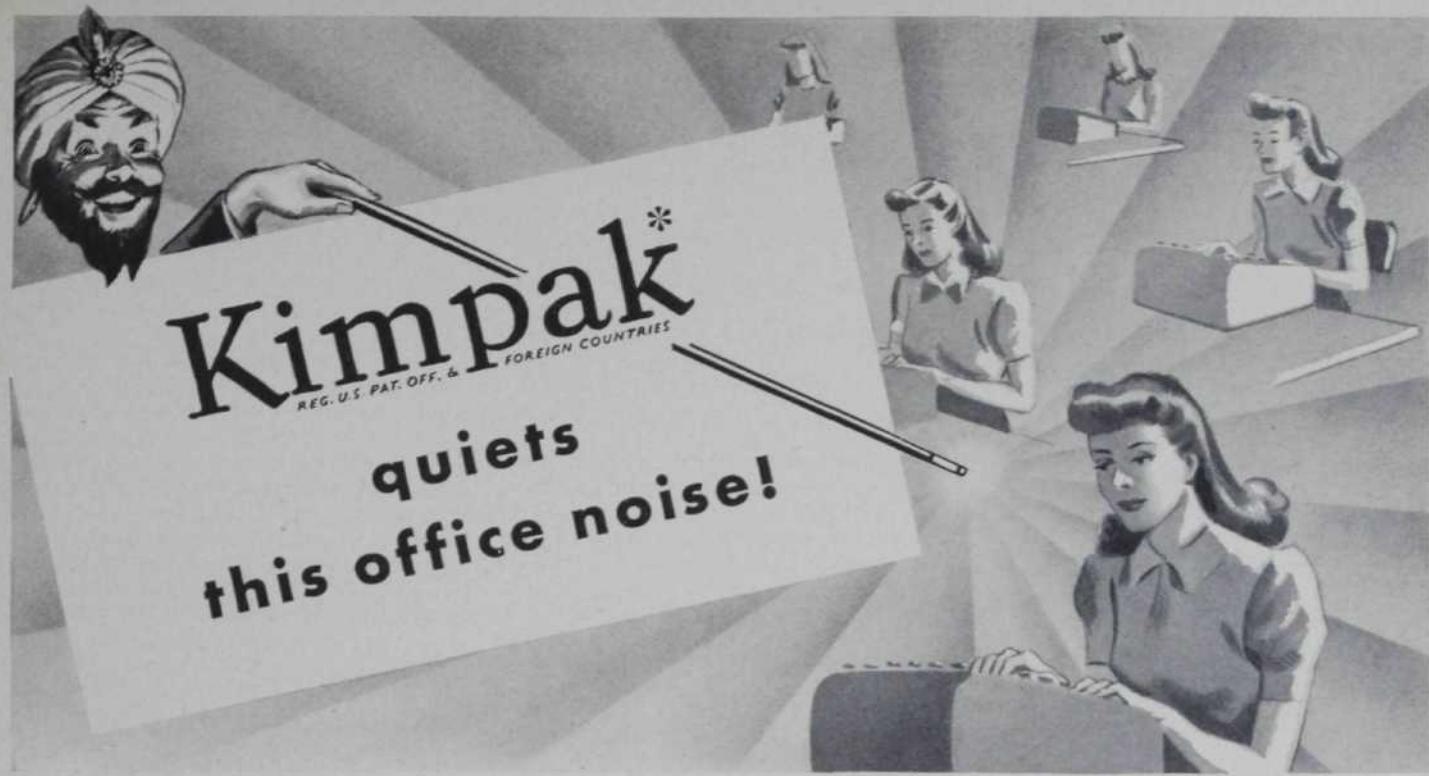
Perhaps the most ironic thing about the whole proceeding is the record of the



Senator Truman implies that simple things deserve no patents. This is the original model of the telephone. It's very simple

everywhere. There being no over-all statistics, reasonable presumptions must prevail.

There is more to the story than merely the "stockpiling" of patents by American companies in the course of playing a high-stake international game of profit-seeking. Patents by themselves are of little value. In 1917 when we were caught embarrassingly short of synthetic dyes, German patents on them



...one of the thousand-and-one uses  
for amazing KIMPAK

★ Noise is a saboteur of office workers' efficiency. To banish the noise evil that accompanies the operation of power-driven bookkeeping equipment, many progressive offices have installed "Acoustors"—to absorb office machine noises at the source. These devices are a product of The Acoustor Company, and conquer the noise problem through the use of KIMPAK\*—the remarkable material that solves both acoustical and thermal insulation problems.

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KIMPAK may be just the material you're looking for. Find out by reading over the new book, "KIMPAK—AND ITS THOUSAND-AND-ONE USES IN INDUSTRY". Send now for FREE copy!

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ACOUSTOR AT WORK: Here's how the KIMPAK-equipped Acoustor is used to trap and absorb noises incidental to the operation of billing, adding and other power-driven bookkeeping equipment. If *your* product presents a sound-deadening problem, it may pay you to investigate the acoustical effectiveness of KIMPAK!



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prosecuting Senators themselves. By far the most active, and sometimes the only active Senators at the hearings are Messrs. Bone and La Follette, the latter a particularly persistent and sometimes vituperative critic of business for alleged pre-Pearl Harbor obstruction to the war program.

The Bone record is not so bad. Senator Bone voted for the Selective Service Act, but against its extension. He voted against the first lend-lease bill, and did not vote for subsequent pre-December lend-lease appropriations.

But the record of the now super-patriotic Senator La Follette is truly a gem. He voted against the Selective Service Act; against extension of service to 18 months and for the six months' limit on extension of draftee service; against revision and against repeal of the Neutrality Act for Britain's benefit; and "Nay" on the original lend-lease bill and subsequent lend-lease appropriations. Had he had his way, the United States would have entered the war with practically no army and practically no allies.

#### An antitrust smoke screen

THE true genesis of the present patent hearings is not the war, but the T.N.E.C. The "holding hands with Hitler" business is only window-dressing. Thurman Arnold first tested it out in the summer of 1940 when some of his plans for antitrust prosecution began to run afoul of the defense program, particularly his "Mother Hubbard" case against the oil

companies. He discovered for the benefit of the press this malignant German influence working through American Big Business, and the picture went over successfully in the newspapers, though the court in the aluminum case threw it out bag and baggage.

If it produced headlines then it is doubly likely to produce them now, but both Herr Hitler and the war are merely being used as fronts. The real program is one inherited from the Temporary National Economic Committee, so to reform the patent system as, in effect, to end it.

#### A "new concept" of patents

IN HIS original letter under which the T.N.E.C. was set up, the President called for "amendment of the patent laws to prevent their use to suppress inventions and to create industrial monopolies." The Committee went at length into the patent situation in beryllium, fiber glass, automobiles, etc. It then published Monograph No. 31 on the subject and wound up with a set of recommendations.

Monograph No. 31, on patent law, written by Prof. Walton Hamilton, was an elaborate attempt to undermine two common sense patent fundamentals. The first of these fundamentals is that a patent involves an entirely new addition to the stock of wealth. Said the monograph in effect, with learned absurdity, a patent is something "carved out of the public domain." The second fundamental principle attacked in Monograph No. 31 is that, as Justice Roberts

said in 1933 (U.S. vs. Dubilier) "a patent is property." The monograph says instead that a patent "can hardly—without confusion of thought—be regarded as 'property' . . . it is rather a lease . . . the term 'franchise' is even more exact" (p. 151).

These two revolutionary—and destructive—viewpoints underlie S.2303 and S.2491, the two major bills actually now before the Senate Patent Committee.

An invention comes out of a man's mind and the patent which gives him exclusive control of it is not "carved out of the public domain" unless the public domain is infinite and includes thoughts not yet thought and know-how not yet learned. In common law this is not so; a man has the right to keep his invention secret and, if he chooses, even to let it die with him. He also has, in *common sense*, the power to keep it secret, and only thieves or thought police can worm it from him against his will.

#### "Rewards for discovery"

THE constitutional fathers thought up a way to get round this obstacle to the socializing of new knowledge. They authorized Congress to "secure to inventors by suitable methods the rewards for their discovery." The suitable method is a patent, which amounts to a deal between government and the inventor. The inventor agrees to make "patent"—or public—his invention. In turn, the Government agrees to give him exclusive control of it for 17 years.

This control or ownership is a monopoly, like the ownership of a horse. It is private property. The owner of a horse can use the horse or not as he pleases, rent or not as he wants and, within limits, dictate the terms, places, and conditions under which others can have the use of his horse. So can the owner of a patent.

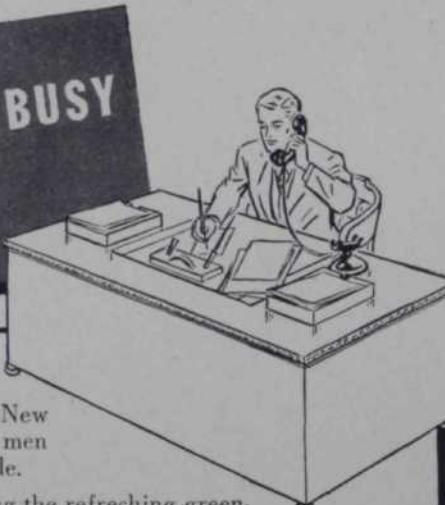
If a man owns enough horses he can use them in violation of the antitrust laws. So can a patent-owner. That is no more of a criticism of the patent system than it is of the ownership of horses.

However, a patent is of more fragile value than a horse. It can be infringed, involving costly suits. It can be outmoded in its infancy. It is often so new and unfamiliar that it is hard to sell. It is often a great consumer of red ink in the development or "lose-your-shirt" stage. And it lives only 17 years, dying often just as it enters the prime of profitable life.

These facts should be grappled to the mind with hooks of steel, because they have been vastly confused (vide Thurman Arnold on the Dzuz gadget—"Look at it. It's so simple it shouldn't have been patented at all.") If you point out that patents can be used illegally to create a monopoly in restraint of trade, and that in fact patents are themselves a form of monopoly like all property, and then set forth an alleged monopoly in restraint of trade built on ownership of patents, you can confuse almost anybody but a good patent or antitrust lawyer, and that is what is being done in the current hearings.

S.2303, the O'Mahoney-Bone-La Fol-

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lette bill now before the Committee, says that, in war, the President may grant a license under any patent which he finds needed in the interest of national defense or of the prosecution of the war. This goes far beyond the Acts of 1910 and 1918, which permit infringement of patents only on war work done by or for the Government. "In the interests of national defense" may mean nearly anything. Said Assistant Attorney-General Shea to the Committee in discussing S.2303:

I suppose it is fair to assume that every item of production justifies itself in these days only if it contributes to the prosecution of the war.

### Responsibility for infringement

ALSO, under the Acts of 1910 and 1918 the Government assumes responsibility for infringement. Under S.2303 it does not; the patent owner after the war can collect from the infringer only, not the Government.

S.2303 also says the President may in war-time "or during any period of national emergency declared by him to exist," acquire patents by "taking, or otherwise, and issue licenses and partial licenses thereunder." The owner may then sue the United States for "fair" compensation.

The word "fair" is significant. Asked why "just" was not used, Mr. Shea said:

I think it would clearly be interpreted as *just* compensation if it constituted the taking of *property*. On the other hand there may be some doubt as to whether or not patents are the kind of *property* included within the constitutional requirements for *just* compensation."

So in effect, S.2303 would permit the Government to grant licenses in wartime under any patent, and in peace to take any patent and leave the owner to sue for "fair" compensation without the protection of the "due process" clause of the Constitution.

These two things amount practically to the same thing, since the value in a patent lies largely or wholly in the power to grant licenses.

S.2491, also before the Committee, embodies Thurman Arnold's patent recommendations to the T.N.E.C. It takes a different tack.

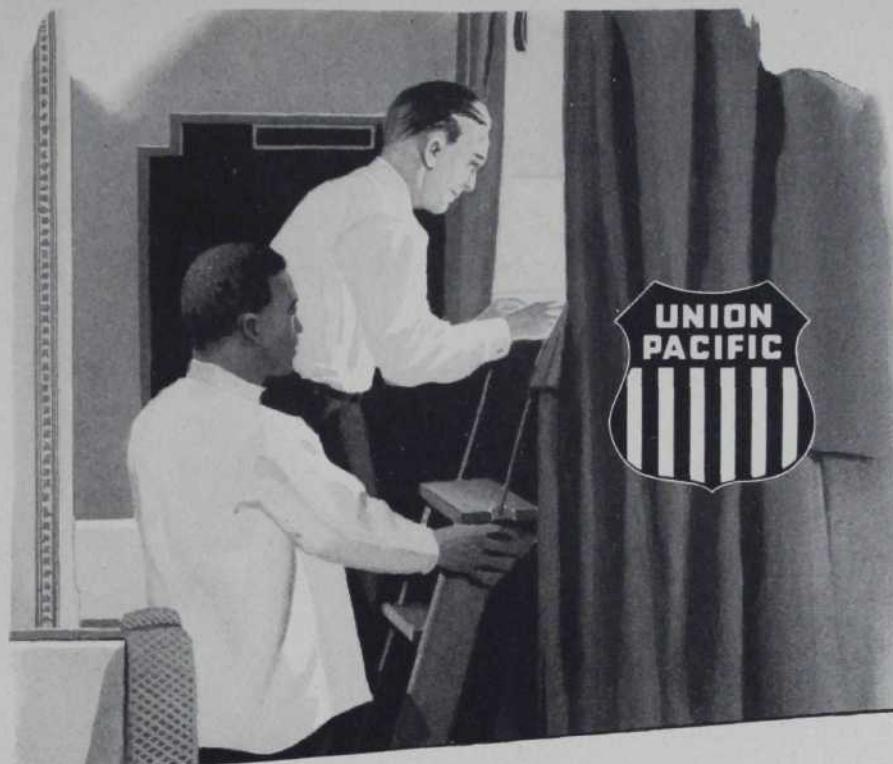
It states in effect that a patent can be cancelled after three years if the owner doesn't use it or license someone else to use it. This is "compulsory licensing."

It also states that, 90 days after passage, no more restricted licenses can be written and those in effect cannot be enforced.

A good quick perspective on this compulsory licensing proposal was given by Mr. Dzuz' attorney. Mr. Dzuz was so poor when he took out his patent in 1932 that he had not the \$25 patent office fee and had to let it lapse and take it out again.

Then he had no money to use it, but the most he could get as an offer of royalty was \$300. So he finally scraped the money together and made the gadgets himself.

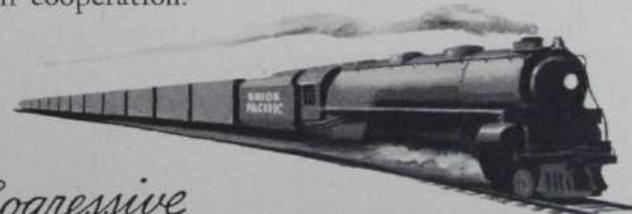
"If," said his lawyer, "there had been



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an unequivocal compulsory license provision in the patent law Mr. Dzuz would have been, to put it in the vernacular, out of luck."

And S.2491's ban on limited or "restrictive" licenses would have about the same effect on the value of many patents as would be the effect on the value of drive-yourself cars if the owners were allowed to rent them only scot-free of any restrictions on their use.

In sum these changes would cut the heart out of the patent system and in effect throw patents into the public domain or socialize them.

These two bills face many hurdles. They must first pass the Committee itself and, except for Senators Bone, Lucas, and Clark, the Committee seems extraordinarily uninterested in these hearings. (Senator La Follette is not a member of the Committee.) Then they must pass the Senate and go to the House Patents Committee, where a rough reception awaits them and where some real patent lawyers are likely to be called. (The Senate Patent Committee has not bothered to call any members of the patent bar, or even the U. S. Patent Commissioner.) Then they must pass the House.

Senators Bone and La Follette do not come up for re-election this fall, and have no immediate need for headlines. But headlines always help, and they have unfortunate isolationist records.

### Work for antitrust attorneys

AS FOR the Antitrust Division, its jobs are in jeopardy. Antitrust prosecution of big business at this time for alleged pre-war abuses is definitely a legal luxury. The companies attacked are up to their ears in war work. Defending antitrust cases involves enormous preparation by the top men. They cannot shrug such cases off because Arnold habitually uses criminal procedure. Penalties are \$5,000 or a year in jail. Most executives can stand the \$5,000 and none have gone to jail yet, but top executives have a squeamish dislike for the brand of criminal, even though acquired as a result of courses of conduct which, at the time followed, were thought legitimate even by Washington officials.

So in March, the Army, Navy, Justice Department, and the President, agreed on an arrangement to call off these big suits for the duration.

Army or Navy can call for postponement, Attorney General Biddle can agree or refuse, and the President has the last word.

So what could Thurman Arnold do to save the jobs of his trusty "lawyers" except to play ball with Senators Bone and La Follette, try these cases in the newspapers and build up a backfire against postponements by getting the public aroused against the big companies?

The Fourth Amendment protects a man against high-handed or flippant official search and seizure of his property or papers. They must be subpoenaed, and for good reason, usually for court use. There have been famous cases where men have been let go after being found guilty of serious crimes, because the

prosecutor's evidence was not come by legally.

But this problem is neatly solved for the Bone Committee. Antitrust subpoenas the papers out of the companies, and the Bone Committee subpoenas them out of Antitrust. What can the companies do? Thus the supply of documents is almost unlimited and everybody has fun.

### A picturesque show business

THE hearings may be, as Thurman Arnold once characterized Senator Borah's trust-busting crusades, "entirely futile but enormously picturesque" (that was before Arnold was in the show business himself). But it appears that some American businesses are picking up a few lessons in the art of newspaper trial. With sarcastic vehemence, the Senators and Antitrust lawyers have already attacked G.E. and Standard for their preliminary essays in newsprint battle. It must be important. One would think that these Washington folk had a patent on the process and didn't want it infringed.

As for patent reform, Mr. Dzuz' lawyer again rang the bell:

Permanent changes will have to be made in the patent law. But I ask that the Committee, when it makes these changes, recognize that there are people associated with the patent law who are constructive and forward-looking, who would be willing to help in these changes; that not every one is an obstructionist, and that these changes should be ironed out in a fashion not to destroy the value of the patent system in enabling the little man to rise up and progress above the social and economic position in which he might otherwise be frozen.

### Taxes on Tire Renewal

RISING importance of conserving tire life has stirred governmental interest in tax revenues from various processes for retreading, recapping and top-capping. Issuance of special ruling by eight states and two major cities shows methods uppermost in official approval. First is to tax sale of materials to repairmen as final sale for consumption; other, to tax sale to car owner, basing tax either on value of materials only, or on total charge for materials and service.

Illinois, New Orleans and New York City will tax sale of materials to processor who renews the tires. Gross receipts from sale of renewing service to car owner are not taxable.

California, Kansas, Missouri, Ohio, South Dakota and Wyoming tax only value of materials in sale to tire owner, do not tax that part of receipts charged to services.

New Mexico taxes full sale price to tire owners.

Of the 22 states with sales taxes, the others have more general statutory provisions or administrative rulings applicable to sale of tire renewing, Federation of Tax Administrators reports. These consist of rulings governing repairing in general, and automobile and tire repairing in especial.

# SUBCONTRACTS

## A BANK'S MESSAGE TO MANUFACTURERS



**D**ONALD M. NELSON, Chairman of the War Production Board, recently made this urgent statement:

"Production speed is the dominant factor in the race with the Axis. Every available idle tool that can be put to work must be put to work. Experience has taught us that some prime contracts can be subcontracted as much as 90%.

"Planes, tanks, guns and ships—their parts and subassemblies are needed in an ever-increasing flow, and only by full use of existing facilities, by sharing the work, can we get them soon enough.

"Increased subcontracting may swing the balance. Production lines are battle lines. Let's use all the production we've got."

Manufacturers handling war orders under primary contract or subcontract may require large amounts of credit on short notice. American commercial banks are ready to supply credit in ample volume at low cost to sound businesses.

The Chase welcomes every opportunity to assist American business men in meeting their war-time credit needs, whether directly, in the case of corporations located in Greater New York, or through its correspondent local banks in all parts of the country.

**THE CHASE NATIONAL BANK**  
OF THE CITY OF NEW YORK

*Member Federal Deposit Insurance Corporation*

## Rations: War Need or "Reform"?

(Continued from page 29)

gasoline, soap, paper, and certain vitamin concentrates. To head off the stampede which regularly follows a prospective rationing announcement, Henderson at length hit upon the idea of a "blind registration." This scheme called for a mass registration on a given day; and when all the books were issued and all the numbers recorded, O.P.A. would announce what it was for—pork, leather, canned tomatoes, or whatever.

In the sheltered atmosphere of the National Press Club's lounge, many re-

finements on "blind registration" were suggested. One was that, after the books had been issued, numbers be drawn from a hat to determine what would be rationed. Another was that all items on the store shelves be numbered at once, the order of rationing then to be determined by General Hershey's next Selective Service lottery. Were there a ceiling on official fantasy in Washington, these suggestions might appear ridiculous. The point is that Washington frequently is inclined to judge the efficacy of its methods solely by the number of regis-

tration blanks required, rather than by the volume of goods moved.

An alien atmosphere of unwholesome secrecy and intrigue pervades the O.P.A. When the 26 business advisory committees suggested recently that they be called into periodic consultation on forthcoming plans and programs, there was no response. Within a few days, however, a ranking official called all the O.P.A. division chiefs together and pledged them to utmost secrecy concerning official matters passing over their desks. In the course of this informal round-table, the subordinates were warned not to discuss office routine even with their wives! Here, clearly, is a case, not of a free and orderly exchange of counsel and experience, but the headstrong and imperious direction of the all-seeing eye—the thing which, in Europe, we call dictatorship.

### Rationing neglects production

SOMETIMES our emergency administrators neglect the fact that a rationing system, however complex, is only a stop-gap measure, not a solution. The only solution for shortages is increased production. Logically, every rationing program must be followed by a production program, or the rationing scheme itself ultimately will collapse. Yet in the Henderson scheme today there is a tendency to regard rationing as an end rather than a means.

As soon as everybody is registered—for sugar, gasoline, or rubber—that problem is "handled" so far as O.P.A. is concerned. In every instance, the matter of new supplies, or more transportation, rests with some other department, bureau, or administrator.

One time the problem involves ships; another, new factories, again the development of new processes. But whatever the need, the rationing and price-control systems tend to stifle every normal impulse toward increased supply. In some cases, the arbitrary price ceilings have tended actually to create shortages in certain sections of the country when supplies were abundant nearby. Sugar and gasoline well illustrate this difficulty.

At the outset, these shortages were in the Eastern Seaboard States only. Yet the price ceilings fixed by Henderson were so low that the increased freight charges from the surplus areas could not be absorbed. Had the price mechanism been permitted to function within reasonable limits, these regional shortages might not have developed. But the O.P.A. theories, as applied, tended to aggravate the regional shortage; and this, in turn, provided a pretext, in the case of sugar, for a rationing system applied to the entire country.

No one yet has attempted to justify the registration of 102,000,000 people under the sugar plan, when the same tonnage could have been allocated through 50 or 60 refiners, and the whole problem of distribution then left to the regular trade agencies under workable regional price differentials. In the last war, refiners were given their periodic quotas and everybody down the line then was expected to take care of his

## You could live in Diesel Town\*, U.S.A., without hearing exhaust noise



- 1—Restaurant, L. I., N. Y.
- 2—Newspaper, R. I.
- 3—Office bldg., Iowa
- 4—Hospital, N. Y. City
- 5—Office bldg., Texas
- 6—Hotel, N. D. Dakota
- 7—Dairy store, Mo.
- 8—Large dairy, Chi.
- 9—Office bldg., Fla.
- 10—Water works, Ohio

\* Diesel Town—an imaginary city made up of real buildings. Each one has an actual installation of Diesel engines equipped with Burgess Snubbers to provide quiet exhausts.



Cross sectional view of Burgess STC Snubber, used for preventing exhaust noise of Diesel engines.



## Snubbers make Diesel Exhausts Quiet

There was a time when Diesel engine operation meant Diesel exhaust noise. That time passed when Diesel operators discovered they could operate their engines efficiently—without exhaust noise—by snubbing the noise-making "slugs" of exhaust gases which would otherwise shoot out of the engine and cause noise.

Now you can live next door to a Diesel plant without knowing it, if its engines are equipped with Burgess Exhaust Snubbers. The buildings shown above are only a few of the many successful Burgess Snubber installations where the advantages of Diesel power are being enjoyed without exhaust noise complaints. Snubbers smooth the pulsating flow of exhaust gases to a quiet stream. There is no interference with the efficient operation of any Diesel engine. Burgess Battery Company, Acoustic Division, 2823-F West Roscoe Street, Chicago.

Originators of Patented Snubbing Principle for Quieting Diesel Exhausts.

**BURGESS** DIESEL EXHAUST **SNUBBERS**

regular customers to the best of his ability. The whole plan required fewer than 50 federal payrollers in Washington. There were no ration books, no mass registrations, no repeated herdings of the entire population, no disruption of the schools and overtaxing of teachers. Neither did that system require the promulgation of a bewildering executive order comprising some 30,000 words, as in the case of Henderson's sugar order of April 22, 1942.

#### Registration for practice

IT was these fantastic approaches to several different problems which at length lent credibility to the charge, often heard in Washington, that some administrators are taking advantage of America's aroused patriotism to force as many people as possible through the registration process. The more often you herd a fellow to the registration centers for a ration book, the better conditioned he becomes to the next compulsion of totalitarian economy. Indeed, these "drills" became so frequent in Washington that, when a practice blackout was arranged for May 12, it was necessary to set the hour at 11 p.m., so that those registering that day for gasoline might surely get home before the sirens sounded.

Even Mr. Henderson acknowledged, in this case, that regimentation was crowding the folks a bit. He allowed informally that when a fellow has to fill out a form by a certain day there should be no practice blackout the night before.

Already the business of filling out forms and questionnaires has become burdensome. In one case of record, a citizen filled out his federal income tax return on March 14, his draft questionnaire on March 27, four pages of application for new auto tags on March 30; four pages of state income tax forms on April 13, spent a half-day applying for a new automobile tire on April 24; registered for sugar rationing on May 6, and for gasoline on May 12. Thus, for a period of two months, much of his spare time was devoted to necessary research and preparation of some government questionnaire.

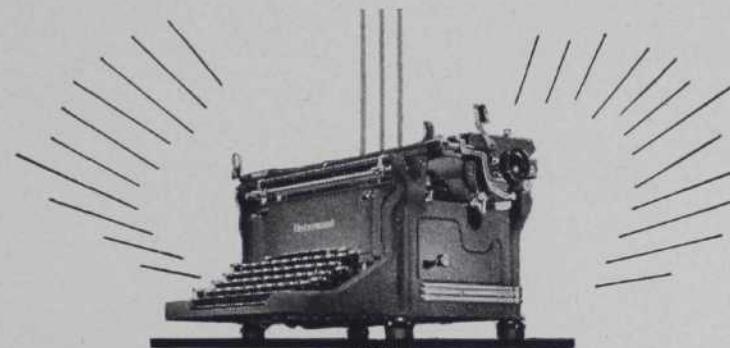
Yet, when asked for his automobile tag number at the gasoline registration, he faltered, gave his Social Security number instead, and so was branded a dimwit. Now he is so confused that he must stop his car and look to be certain which is his license number, as distinguished from his Selective Service serial number. He looks up his own home phone number in the book.

Nowhere has Henderson's system of rationing by ear been more wasteful and demoralizing than in automobiles and tires. Throughout the country today tens of thousands of new cars are sinking into the cornfields, the rubber deteriorating faster than it would if the cars were in use. Ignoring this picture, Mr. Henderson vigorously advocated a bill to authorize confiscation of private cars actually in service. Does it make sense to confiscate old cars, while tens of thousands of new cars are literally rotting in the fields?

Not until a trade survey in Baltimore

# 1942

## How Long will your Office Machines Last?



How long will the war last? How long will my office machines last? . . . these are the questions many executives are asking.

Here is one thing you can be sure about. Your office machines will last longer if you take advantage of the Underwood Maintenance Service Plan!

Your Underwood Representative will be glad to explain

how the plan assures peak performance, economy and longer life for your office machines. His knowledge, experience and ability to do a thorough job will help keep your typewriters, adding machines and accounting machines on the job.

There's an Underwood Service Representative eager to serve you! Call your local Underwood Elliott Fisher office.

### Underwood Elliott Fisher

Helps Speed the Nation's Victory!

Service in 407 Cities in the U. S. A. and 26 Cities in Canada

Invest in America!  
Buy War Savings Bonds and Stamps

Underwood Elliott Fisher Company  
One Park Ave., N.Y. Nationwide Service

# 194?

## NEED A War Contract?

IF YOU have factory facilities that might be used on war production, advertise them. Experts say this is the quickest and most effective way to bring your qualifications to the attention of prime contractors and government executives.

Give the whole story—number and kind of machines—number of trained workers—previous experience—location—all pertinent facts. Someone who can use your facilities is sure to see such an advertisement. A satisfactory subcontract may follow quickly.

Nation's Business is read by alert and influential men both in business and government—more of them than read any two other business magazines.

NATION'S BUSINESS • Washington • D C

disclosed, early in May, that several thousand owners would sell their cars voluntarily and accommodate themselves to public transportation, did government move to try the open market for its needs. That was an item of \$150,000,000—for cars and tires.

One reputable automobile dealer complained:

Literally thousands of used cars are being offered to me, and the prices are right. But I simply can't take any more.

I have a warehouse in Hagerstown bulging with new tires, but when I had to equip a used car with tires this week, I was forced to purchase them at 60 to 70 per cent above what the new tires I have in stock cost me. I want to know what is the sense of paying two prices for an old tire, when you have hundreds of new tires rotting in the warehouse?

Mr. Henderson hasn't answered that one yet.

Fearful of confiscation, rationing, tire shortages, not even those who are eligible to apply for new cars are trying to buy them. For this reason, the stock of cars frozen by the original order last January now are found to be frozen far more solidly than was anticipated. Some counties are not moving one-tenth of their federal allocations. In the entire State of Maryland, for example, total new car registrations in April numbered 206, as compared with 4,259 during the previous April.

"Why should I buy a new car when there is now a bill before Congress to authorize its confiscation?"

That's the question put to the dealers. That's why acres of cars are sitting in the rain in the cornfields, and several million new tires rotting in improvised storage.

Confusion is the key word in this dilemma. Why, for instance, should Mr. Henderson set price ceilings on autos and tires, thus fixing official quotations for things that can't be bought anyhow? "The government's pronouncements have got the people all mixed up," said one bewildered dealer. "These scares muddle the situation."

Some members of Congress charge openly that the "advanced thinkers" in O.P.A. are running away with the ball. Representative Martin Dies, of Texas, lays the difficulty to a group of "temperamental misfits, many of whom are frankly inclined toward European collectivism." He cited the case of the Senior Business Specialist in O.P.A.

One of the Senior Business Specialist's books was *Life in a Technocracy*. Dies stated:

Among other things, this man proposed the complete abolition of money and the substitution of certificates of ergs as evidence of purchasing power, every citizen to receive willy-nilly 20,000 ergs at the beginning of each year. I am prepared to support a measure to put him and some of his associates in O.P.A. on erg salaries instead of those which they now receive from the Public Treasury.... I have reliable evidence, which I am not at liberty to disclose at the present time, that some of those who hold key positions in our defense agencies consider themselves strategically placed for purposes of revolutionary change in our form of govern-

ment and economics if and when some great crisis engulfs us.

Congressman Eugene E. Cox, of Georgia, a veteran of 25 years' service, likewise resists bureaucratic trampling on American business.

The people of this country are beginning to resent what they believe to be the fact—that their government has, in large part, been taken away from them and delivered into the keeping of an alien and alien-minded group, wholly unfit for the work they have been assigned to do, and for the offices to which they have been appointed.

Rationing, at best, is difficult. It implies hardships and privation for millions of families, adjustments for all business. Under wise and competent administration—the ablest the country could provide—it still would be a national trial. It is reasonable then that the citizens should begin to inquire why this ordeal should be further burdened with the oblique infiltrations of reform, regimentation and revolution.

## Business Keeps Its Pennants Flying

(Continued from page 22)

Words like the Aluminum Company's newly coined "imagineering" to describe industrial brainpower, skill and ingenuity will help, if they are driven home again and again through advertising.

De Vilbiss spray guns paint a new submarine. Ads tell future customers the story. The place of wire rope in war production is driven home by Broderick and Bascom. The way a self-locking nut helps to keep Douglas planes flying is dramatized by Elastic Stop Nut Corporation.

Underwood Elliott Fisher is saying "It's a War of Machines—All Kinds of Machines." Current importance of typewriters is accented in the Company's assertion that "In many an office hard at work on war contracts for urgently needed war materials, Underwood typewriters are helping the staff keep pace with the constantly quickening industrial tempo."

The American Telephone and Telegraph Company points out in NATION'S BUSINESS that:

We have to keep the public informed about our capacity to render service, and let them know that we are an essential part of the war machine. Then, too, Bell System employees, nearly 400,000 strong, make up an army needing encouragement and recognition of their efforts. Everything that keeps up their morale, enhances their reputation and stirs their enthusiasm is good for the country. Bell System advertising which explains the services, policies and practices of the business in war as well as in peace continues, as does our radio program, and we make movies of the Bell System's war effort as we did of the Bell System at peace.

The air lines have a big job to do and they are telling the public about it.

United Air Lines, along with a number of other forward-thinking organizations, properly places special emphasis

on sound employee relations during wartime, and points out in NATION'S BUSINESS:

The management of United Air Lines feels it is necessary and desirable to keep its employees fully informed. Special memoranda to all company personnel furnish information on the status of our company with respect to the war program. These frank memoranda not only serve to keep our personnel well informed, but also remove from their minds questions which would otherwise have a disturbing effect on morale.

Whatever war demands are made on it, all business now has a vital job. It must sell itself to the public over and over again. If it expects to survive the post-war chaos, the capitalistic system must demonstrate reasons why it should survive, and it must give these reasons

to the public dramatically, convincingly, repeatedly.

Sociologists frankly anticipate a development of many "isms" in our post-war social-economic set-up. Plans for major "readjustments" will doubtless be advanced; plausible panaceas will be proposed to cure all our economic ills.

But the final answer is up to the public. If business is to maintain its relatively free position, it must, through advertising and public relations, keep as close contact with the public as the most astute politician maintains with his voters.

If American business fails to keep its house flags flying high through the war—when it renews its fight for survival in 1947 or 1948, it may be the victim in another sad and fatal case of getting there too late with too little.

OUT OF OUR WAR PRODUCTION WILL COME EVEN BETTER BUTLER PRODUCTS FOR PEACE

**BUTLER** READY-MADE STEEL BUILDINGS

Where aircraft take off and land never was a place for tall buildings. Since the beginning of airfield development, Butler engineers have been building airplane hangars low to the ground to lessen obstruction to flight. Modern warfare uncovered still other reasons for "pancaking" airfield structures. The result is an entirely new hangar design—a radically different type of factory fabricated construction. About its details, we can here say nothing. Coming into its own now—it is a structure in step with the world's fastest developing industry—air transportation.

For over 30 years Butler Ready-made Steel Buildings have served in a score of industries. Before you build any structure, particularly any rated essential in the prosecution of the war, figure with Butler engineers. There are three helpful Butler Steel Building books.

For prompt handling, address all inquiries to:

1240 Eastern Avenue, Kansas City, Missouri, or  
940 Sixth Avenue, S. E., Minneapolis, Minnesota

Other sales offices: Washington, New York, Chicago, Atlanta, Shreveport and Houston. Also representatives in other principal cities.

**BUTLER MANUFACTURING COMPANY**  
FACTORIES  
KANSAS CITY, MO....GALESBURG, ILL....MINNEAPOLIS, MINN.

# INDEXING IS IMPORTANT, TOO

Don't let small leaks reduce 100% War Production Efficiency

If you or your employees spend precious time thumbing through books, papers, cards, etc., in search of the one you need... then index your records with

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TRADE MARK REG. U. S. A.

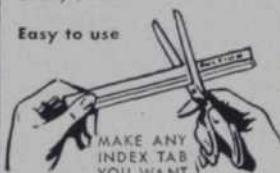
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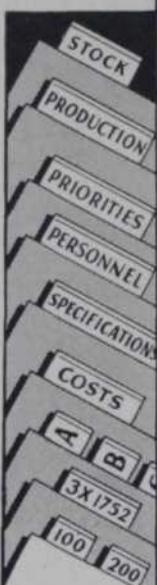


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NORTH TONAWANDA, NEW YORK



# FIND THE ANSWER



These Free Books Will Help Solve Your PLANT LOCATION PROBLEM

Obtain your copy of either or both of these fact-filled, illustrated books about industrial opportunities in the St. Louis area by writing to

J. G. CARLISLE  
Director, Industrial Development  
1710 Missouri Pacific Building  
St. Louis, Mo.

Buy U.S. Defense Bonds and Stamps



## What's Happening to Salesmen?

(Continued from page 32)

Another activity is the purchase of secondary material resulting from primary materials of their manufacture in order to make certain that this secondary material is rapidly returned to the stream of war supply.

Periodically, International men are calling on all customers to be sure that the most needed war requirements are served first; also to suggest substitutes wherever possible.

Westinghouse salesmen are out advising customers how to obtain war sub-contracts, and so keep them alive as customers for the future. They have helped about 500 concerns to get part of their plants on war work, says Tomlinson Fort, assistant central station sales manager.

Representatives of the Celotex Corporation have always done considerable service work; now they are almost 100 per cent service men. Currently, they are working on the substitution of Celotex for rubber and cork.

"So far, our entire sales organization is intact," says H. C. Anderson, general sales manager for the Globe-Wernicke Company. "Our men have been instructed to concentrate their efforts on helping defense plants and governmental units to organize their offices and factories on the most efficient basis."

These cases are proof that industry's war job is by no means confined to the part played by men in overalls. Nor is all the planning and organizing done in Washington. The parts for a bomber

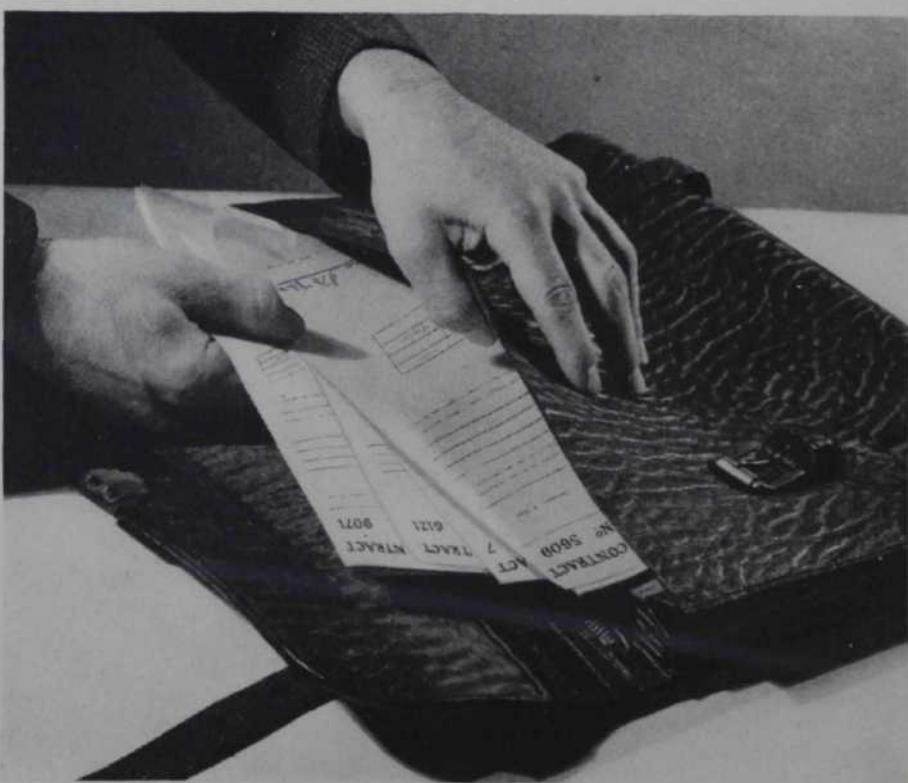
may be made in dozens of plants, and these plants in turn must obtain their materials from other dozens of sources. That means a lot of correlating, of bringing together, of expediting. In fact, the war has given us another vocation, that of "expediter," in partial compensation for the devastation it has wrought in the profession of selling. An expediter is one who expedites or tries to hurry up the delivery of materials and parts toward the final assembly into sinews of war. He goes around breaking bottlenecks in purchasing, hauling and shipping.

### Opening bottlenecks

LARGE numbers of salesmen have been transferred to this sort of work. Sometimes they combine it with routine calls on their regular trade, not to obtain orders but to explain why unfilled orders are still on the hook and to keep alive the old bond of good will between company and customer.

The Combustion Engineering Company, which makes steam generating and fuel burning equipment, assigned a number of its salesmen to take over the duties of those younger maintenance and repair men in their districts who have gone into the armed forces. In this case the salesmen are unusually versatile, since knowing how to repair the company's equipment was a part of their original training.

Vendors working largely on war orders are everywhere trying to hold their



When peace comes, order blanks now laid away will come out again. The job is to hold a sales force together until then

NESMITH

sales families together as far as possible. This often takes the form of finding something entirely different for them to do, usually in the production end. In the Norge Division of Borg-Warner Corporation, for instance, a West Coast salesman has been relocated in the purchasing department, in charge of priorities. Nine other salesmen are expeditors "following critical materials needed for our war production." Several sales executives are handling negotiations for new contracts.

Philco Radio and Television Corporation has released only six men, or about eight per cent of its sales force. One man became a distributor, another obtained a job as sales manager for a large distributor, a third is working on war orders in the company's Mid-West office, and a fourth was placed by the company with a government agency in Washington. The sales manager hopes to find jobs for the other two shortly.

#### Maintaining a sales staff

THIS assumption of responsibility for doing everything in reason to see that their war-casualty salesmen find other work suitable to their talents is an inspiring episode of the times. Chances are that after the war there will again be plenty of sales resistance to overcome, and it will call for men who have proved themselves in the past. The problem now is to retain some sort of tie between the company and its salesmen and its customers.

Says L. H. Thompson, vice president, National Cash Register Company:

We are trying to keep at least a skeleton force in every territory to render service to our customers and maintain those contacts that will enable us to get going again as soon as possible after this emergency is over. We are anxious to keep in contact with the men who are leaving the sales organization, with the hope that they will want to return to their former or similar positions when the time comes to rebuild our field force.

Through the B. F. Goodrich Company's placement program, a great majority of salesmen dropped by the company have been located in new positions, for the most part outside the Goodrich organization. In one large eastern city, says J. A. Hoban, merchandise manager, tire division, the staff was reduced by 51 persons, and within a week every one of them had gone to new jobs. It proved more difficult to place men in the \$250 to \$500 a month bracket than those who had been earning less. But even in this higher income group the record has been good, Mr. Hoban says, 150 of them having gone into government work in capacities that utilize their special qualifications.

B. F. Goodrich and the Norge Division of Borg-Warner Corporation are among those manufacturers that have initiated merchandise diversification programs to help their dealers stay in business while there are no refrigerators or tires to sell. Goodrich is helping its dealers to obtain stocks of quick-selling merchandise such as implements for Victory gardens, sports items, dishes, furniture, paint and picnic equipment.

Those men still working their territories are carrying on under changed conditions from six months ago. In many cases the basis of compensation had to be changed. Harris-Seybold-Potter Company, Cleveland manufacturers of offset lithographing presses and other equipment used by the graphic arts industry, had already placed all their salesmen on straight salary back in July, 1941. The Homasote Company of Trenton, N. J., makes an insulated fiber building material which is now going almost entirely into government housing. Last summer its 30 salesmen were switched to missionary work with dealers.

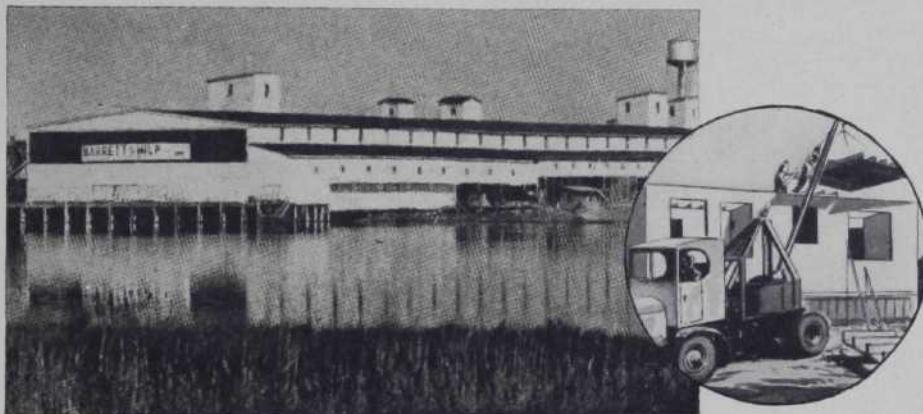
After Pearl Harbor they were all brought to the factory, given an intensive training course and assigned to

research into the uses and application of Homasote.

Each man's monthly commissions for the first five months of 1941 were averaged and the resulting figure became his salary. The straight salary basis is the most practical form of compensation in these times.

#### Changes in traveling routine

WITH automobile and tire and gasoline limitations becoming more threatening each month, another big question is how "traveling salesmen" shall travel. As every sales manager knows, the automobile has rendered a high service to distribution. It keeps down selling costs by enabling salesmen to cover several towns a day, to make calls on



## 60 HOUSES PER DAY is News!

### — but speed is only part of the story

Today, in Portsmouth, Virginia—Barrett & Hilp is fulfilling a contract which calls for the building of 5,000 complete houses in five months.

Such speed-needed to house thousands of new workers in the shipbuilding yards—is made possible by Homasote Precision-Built Construction. This revolutionary prefabrication technique was pioneered by the Homasote Company in 1935 and is backed by the experience gained from millions of dollars of pre-war building.



But more significant than speed—Homasote Precision-Built Homes mean low costs that open up vast new markets for the housing industry. Homasote Homes are machine-perfect, comfortable, doubly insulated—demountable, if desired. They are not stock houses; Homasote Homes may be of any size and any design to fit any housing problem.

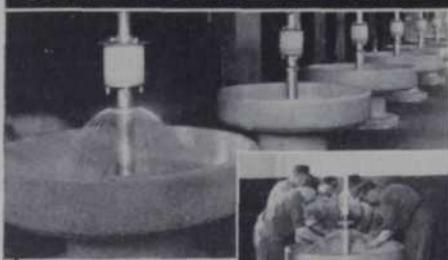
When the present emergency is over, fabricating plants throughout the country will turn from war work to supplying Homasote Homes for employee housing, slum clearance, large-scale realty developments and many similar projects. Write for complete information.

HOMASOTE COMPANY, TRENTON, N. J.

**BANKERS**... Form an "Own-Your-Own-Home Club" for accumulating the down payment—to assure you of ample mortgage business after the war. Write us for complete details.

**H O M A S O T E**  
*Precision-Built*  
**H O M E S**

## SAVE WORKERS' TIME



### Guard Against Lost Man-Hours with Improved Wash Fixtures



From 8 to 10 persons can wash simultaneously at a Bradley.

Lost man-hours from whatever cause are a serious menace to wartime production. Physicians experienced in industrial work claim Dermatitis (skin affection) is a major source of lost man-hours. They place proper washing facilities first among preventive measures.

Bradley Group Washfountains are providing more essential service today than ever before. Each Bradley serves clean sanitary spray of running water to each of 8 to 10 persons simultaneously. The self-flushing deep bowl prevents collection of water and possible contamination. Time and space are saved, and water consumption reduced by 70%. Helpful suggestions are contained in our "Washroom Layout" booklet—

write for a copy  
BRADLEY  
WASHFOUNTAIN CO., 2205  
W. Michigan Street,  
Milwaukee, Wis.

**BRADLEY**  
washfountains

Just press these labels, and they stick...  
No moisture's needed—not a lick!  
They'll cling to paper, wood or glass,  
To plastics, cellophane or brass.  
Yet off they come, as neat as pie  
At will...you'll date on PRES-a-PLY!

USE  
**Dennison**  
PRES-A-PLY LABELS



One of the Dennison Handy Helpers: Shipping Tags, Index Tabs, Transparent Mending Tape, Mailing Labels, Caution Labels, Gummed Stars.

DENNISON MFG. CO., DEPT. T-74, FRAMINGHAM, MASS.

**AIR**  
**CONDITIONED**  
RATES FROM  
THE **Carlton** \$5  
16TH at K STREET  
WASHINGTON, D. C.

isolated customers, and to carry samples without benefit of hired vehicles.

Most of these 32 sales executives said their men are drastically reducing automobile mileage by using trains, buses, airlines, trolley cars and even by walking.

Many companies like Sherwin-Williams will have their men cover larger territories and see their dealers less frequently.

The B. F. Goodrich Company has set a good example of rubber conservation by rerouting its remaining salesmen and eliminating all personal calls that can be handled by telephone. These measures, coupled with a shrinkage in sales personnel, reduced Goodrich selling mileage by half.

The sales executive has sweated blood trying to select, weed out and train men who could sell his product in a competitive market. If he sells through dealers, he recognizes another strong bond there. He is determined to maintain at least a nucleus of this organization for the day of reconstruction. He realizes that then will come a

still more critical period than the war is witnessing and he wants to be in some degree prepared for it. That is sales preparedness.

Every sales manager has had his moments of triumph and of defeat. He can look back on those memorable arguments with the credit manager that he has lost, on star salesmen whom he developed and then lost to competitors, and many other slings and arrows of fortune. But he probably never endured as big a row of hair-graying ordeals in one year as in 1942. Because nothing can be worse to a good sales manager than having to call in a salesman and say:

"Bill, you've done a swell job out there on your territory. You've been with us a good while and I like you. But doggone it, Bill, I have to let you go. It's Hitler, you know."

But it's a comfort to know that a spot is being found for Bill. His card is still in his old sales manager's file and when the peace conference starts to brew Bill can start dusting off his grips.

## But Is It News?

SINCE there is nothing sensational about a business man doing a good, conscientious job, these stories did not make the headlines. We print them for the record:

**Sperry Gyroscope Company** estimated a number of contracts for the Navy—many items were new to the company—they had little idea how much work was involved and so they could not determine in advance what the cost, profits and royalties factors would be. Sperry Gyroscope discovered that, by voluntarily reducing profits and royalties to rock bottom, they can cut the Navy's expected bill by \$100,000,000. They have done this.

**Western Cartridge Company** voluntarily offered on May 2 to refund \$1,500,000 in profit on an Army contract. Explaining the refund, company executives said that bids on the items were made on the basis of engineering estimates. Reductions were made possible by their experience in cutting production costs.

**Permutit Company** of New York City, manufacturers of water softeners, voluntarily withdrew an advance in price effective October 15, and returned to October 1 prices, which were lower.

**J. H. Kindelberger**, president of North American Aviation, Inc., reports a voluntary reduction in training-plane prices which means a saving of \$60,000,000 to the Government. Saving was made possible by increased manufacturing efficiency.

**Hickey-Freeman** are giving up their profit on all uniforms they make—these

savings are passed along to the men in service by most of the local dealers.

**The Wayne Pump Company** has passed this resolution: "Any net profits, after taxes, for the fiscal year ending November 30, 1942, in excess of the annual average of net profits, after taxes, for the five year period ending November 30, 1941, are to be paid over to the United States government as a refund on account of sums paid by it for munitions and other war work done by this company in such manner as may be satisfactory to the United States government."

**United States Steel** is installing at three subsidiary plants new electrolytic tinplating facilities costing \$10,000,000. This move will save 6,750,000 pounds of pig tin a year. These new installations will be in addition to a \$5,500,000 installation earlier in the year. Both programs are being paid for out of the company's own funds.

**Back in 1928**, General Electric began negotiations with Germany to get American rights for the manufacture of carboloy. The initial expenses ran about \$1,000 a day, and at one time the company had a deficit in this branch of their business of more than \$1,000,000. Carboloy is a vital material in tools. Lack of carboloy is a source of weakness in England, it would have been in America without the long range view and risk taken by General Electric. This year General Electric will produce more than 9,000,000 pounds of carboloy.

**April 23** Price Administrator Henderson authorized Harshaw Chemical Co., Cleveland, to sell to the Treasury Pro-

curement Division approximately 45 tons of dynamite glycerine at a price reflecting only cost, but nevertheless exceeding the maximum prices set by O.P.A. Revised Price Schedule 38. Transportation difficulties made it impossible to deliver the crude product until recently. Harshaw converted the crude glycerine into refined glycerine of dynamite grade essential to the war effort and transferred the full amount to the Treasury Procurement Division without profit.

**W. Warren Thread Works, Inc.**, announces that it has returned a check of \$1,040.25 to the Government because the firm believes it represented a greater profit than should be made on government contracts. Justin J. Bayer, treasurer and production manager, said that the company is "in business to make money, like any one else, but we refused to make a profit greater than is absolutely necessary on government contracts."

**John L. Swisher**, cigar manufacturer in Florida, offered his surplus manufacturing facilities to any manufacturer of war products without one cent of profit.

**The Eastman Kodak Company** voluntarily pledged in 1940 to refund to the Government any profit in excess of ten per cent of cost on negotiated contracts taken as a whole, entered into with the Government for special military products of types not previously made by Kodak. Any profit retained would, of course, be subject to the income and excess profits taxes and no compensatory arrangement was provided in case the company earned less than ten per cent of cost.

**James S. Adams**, president of Standard Brands, at a board meeting in March voluntarily sought a reduction of one-fourth in his salary because of economies he had to insist upon and he thought he should set the example. He showed that he is human though in his remark to the Board of Directors "When higher earnings are returned, I expect my salary to be restored."

## The Story of a Paint Maker

HALE and hearty at ripe age of 188 is paint producing firm of Devoe & Reynolds, New York. Company's growth and accomplishments are memorialized in a 60-page anniversary publication, "The Colorful Years 1754-1942."

Business was founded in 1754 by William Post, a painter and glazier. Company claims distinction of being oldest paint manufacturing enterprise in the United States, prides itself that it is one of 14 manufacturing companies in the entire country of equal longevity.

During its long career, the business operated under various names, owing to partnership and other changes, but continuity was never interrupted.



## Let's Get It Done!

is a highlighted entertaining story of what happened in Chicago at the 30th Annual Meeting of the Chamber of Commerce of the United States. A few reprints of this 16-page supplement are on hand and will be furnished in small quantities on request. No charge.

Address **Nation's Business**  
Washington, D. C.





### "WHO—ME?"

Not right now, sonny. But you just wait! This whole great country is going to be needing you. Say about 15 years from now, when you've acquired a little algebra, and a best girl, and 100-odd more pounds of bone and muscle.

### "What'll it need ME for then?"

For lots of things. For jobs a great deal different and better than today's. You like airplanes, don't you?

### "Airplanes? You bet!"

Well, we'll need you to fly them. Better planes than any we have now, flying higher and faster. They'll be safer, and the whole world will be safer, too, when you take to the air. We're determined on that, and we're doing everything in our power to make sure of it. What else do you like to do?

### "Well, we're buildin' a clubhouse..."

Building! Just the thing! We're going to want your help with a lot of building. Houses, and the things that go into houses. Things like air conditioning, and better heating and lighting, and refrigerators. I tell you, you're going to be busy!

### "Bu—but I like to PLAY!"

And you'll have some wonderful things to play with! Radio such as nobody knows today, and television, and the results of new research in electricity and plastics and electronics—things that aren't even imagined yet. Things that you'll have a hand in imagining, and then making real. And you'll find there's no play in all the world that's as much fun as helping to build the world of the future.

Yes, sonny, we're all going to need you. And we're all of us—fathers and mothers, soldiers, men and women of American industry—working and fighting right now to make sure that this world of the future will be a better world. A world in which a young man like you can find the fullest opportunities to work and build and play. *General Electric Company, Schenectady, N. Y.*

★ ★ ★

*The volume of General Electric war production is so high and the degree of secrecy required is so great that we cannot tell you about it now. When it can be told we believe that the story of industry's developments during the war years will make one of the most fascinating chapters in the history of industrial progress.*

**GENERAL**  **ELECTRIC**

962-317N2-211

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# New Life for Old Cars



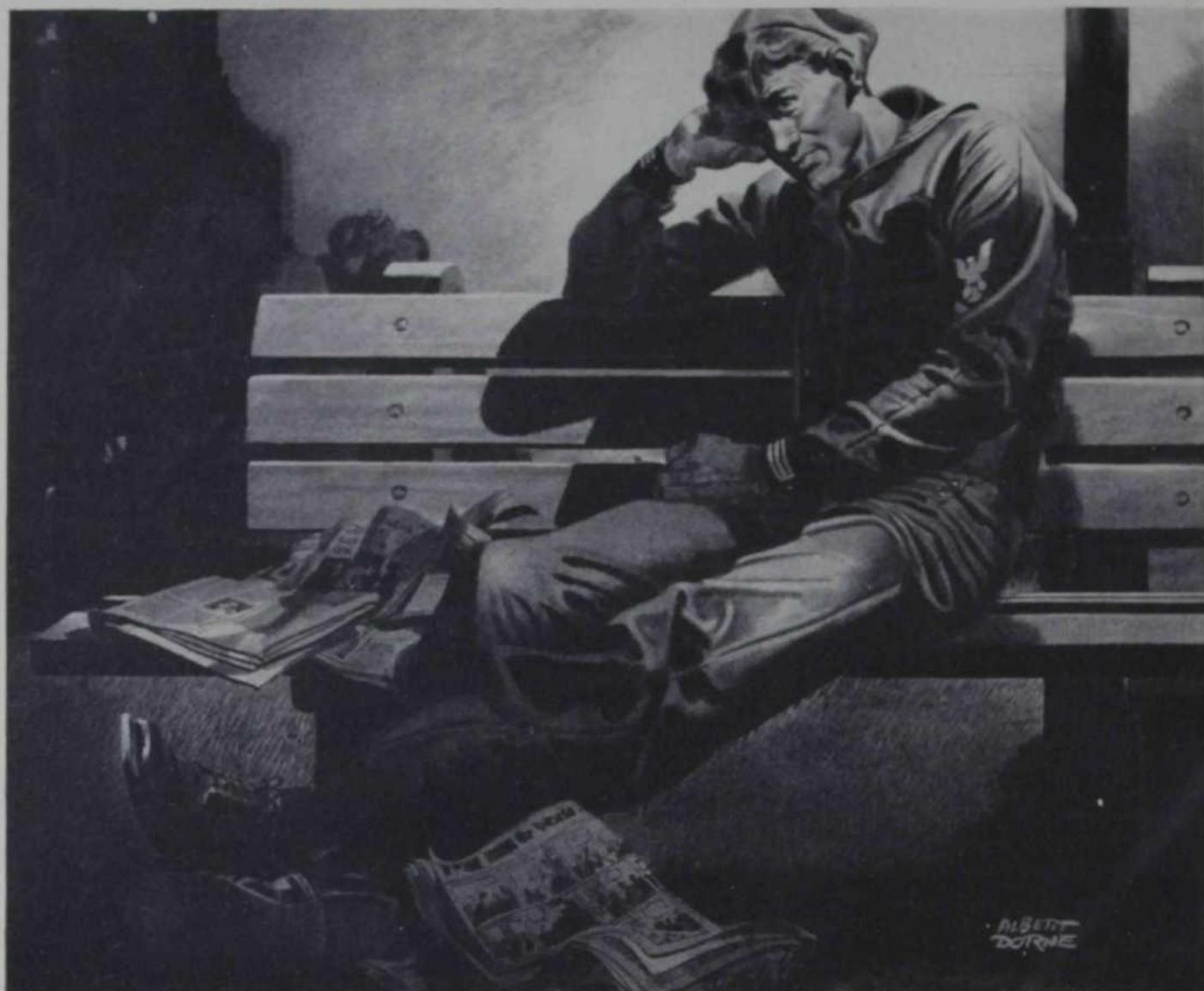
CAREFUL maintenance, especially when conducted with an eye to preventing needlessly premature wear, is the best way to extend the life of cars and get maximum use from fairly recent models. • However, the serviceableness of General Motors dealers is not limited to this in keeping countless cars at work on necessary tasks. • As a dealer in used cars, he has acquired expertise in reconditioning that can give a new lease on life to many a long-driven car. • His experienced mechanics are well prepared by factory-backed training. • He is equipped for major service operations. His reconditioning, therefore, can create new life in old cars and thus goes far toward filling vital transportation needs. • If you are concerned over a well-worn car that fills a necessary purpose, talk to your local GM dealer about the possibilities of restoring it to fresh usefulness.

*The Automobile User's Guide answers your questions about taking care of your car in wartime. For a free copy see any General Motors dealer today or write Customer Research Staff, General Motors Building, Detroit.*

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Mounts • Fire Control Devices •  
Electrical Equipment • And Many  
Other Wartime Essentials.



# GENERAL MOTORS



## Casualty—1,000 miles from the enemy

**A**LMOST as fatal as a bullet or a shell is the breakdown in the spirit of a sailor or a soldier.

Our men have the finest spirit in the world. But it must be maintained in the American way.

They must not be made to feel that they are mere automatons, fighting machines, as the armed forces of the dictators have been made to feel.

Life in our navy and army is hard. Discipline is tough. It must be. But there also must be moments

when the sailor or soldier is treated as Mr. Somebody-or-other.

That's where the USO comes in. For the USO is the banding together of six great agencies to serve one great purpose—to see that our boys in the camps and naval stations have a place to go, to turn to, a "home away from home."

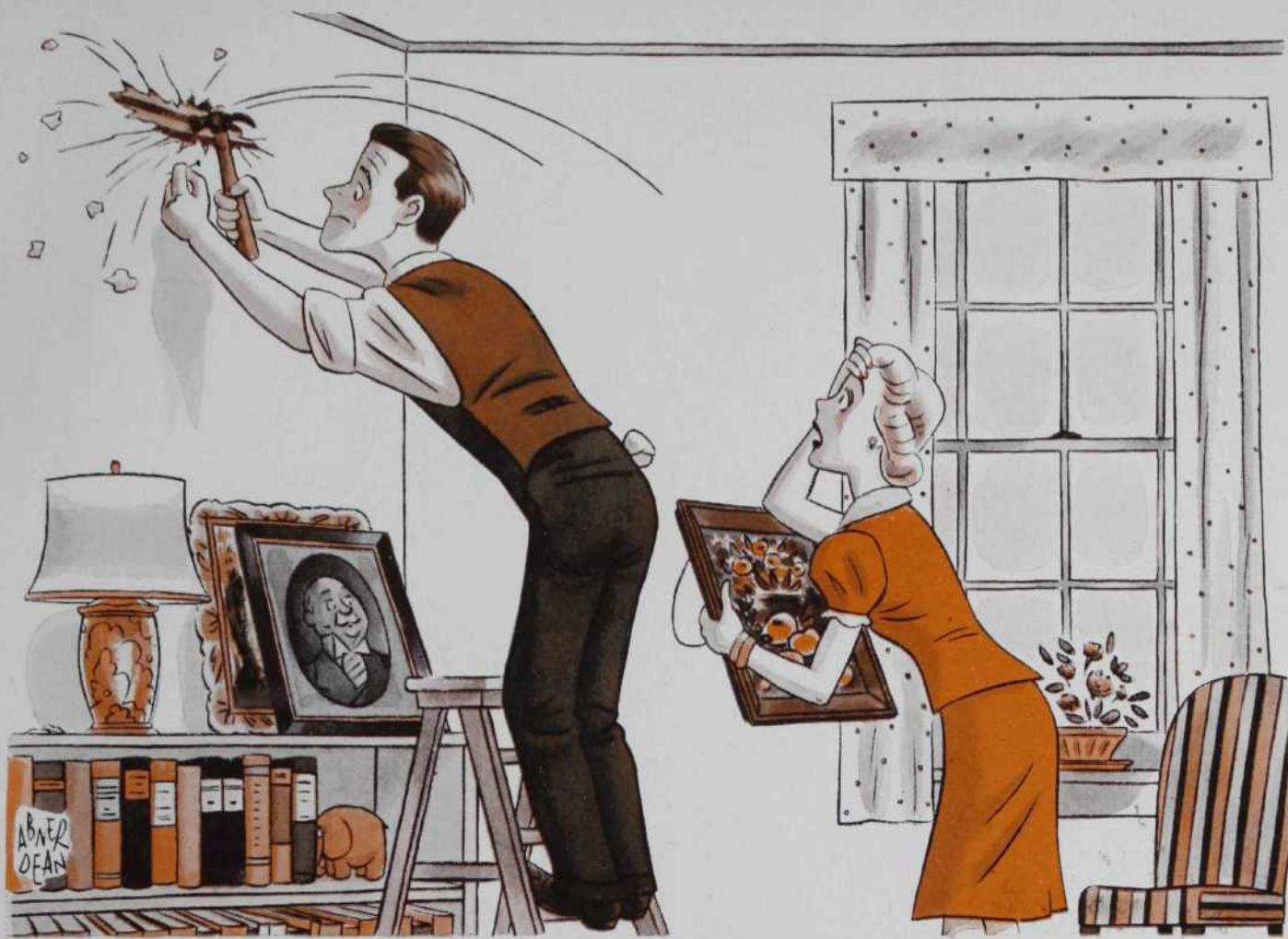
The duties of the USO have more than doubled during the year. It must serve millions more men. Its field of operations has been enlarged to include many parts of the world.

To carry on its important work, the USO must raise \$32,000,000. It needs your contribution. No matter how small you make that contribution, the USO needs it. And it needs it now.

You are beset by requests for help on all sides. By all means, try to meet those requests. But among them, don't neglect the USO.

Send your contribution to your local USO committee, or to USO, National Headquarters, Empire State Building, New York.

# Give to the USO



## careful there! your house is more valuable now

Have you stopped to consider the effect of wartime economy on the value of your home? No matter where it is located nor what its age is, the chances are that it is worth appreciably more than a year ago.

"But," you may say, "I am not thinking of selling—so what?" The "so what" is simply this. The fire insurance you are now carrying on your home is probably no longer adequate . . . and should be increased to cover present-day replacement costs.

For full information on this important subject, consult a reliable local agent

or broker such as those representing the Aetna Fire Group. These agents can give you expert advice on bringing your insurance up-to-date . . . you can depend on their prompt assistance in event of loss.

Bear in mind, too, that insurance with a capital stock company such as those comprising the Aetna Fire Group is backed by both a paid-in capital and surplus. You are never liable for assessment.

Don't Guess About Insurance  
—CONSULT YOUR LOCAL  
AGENT OR BROKER

*Since 1819 through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.*

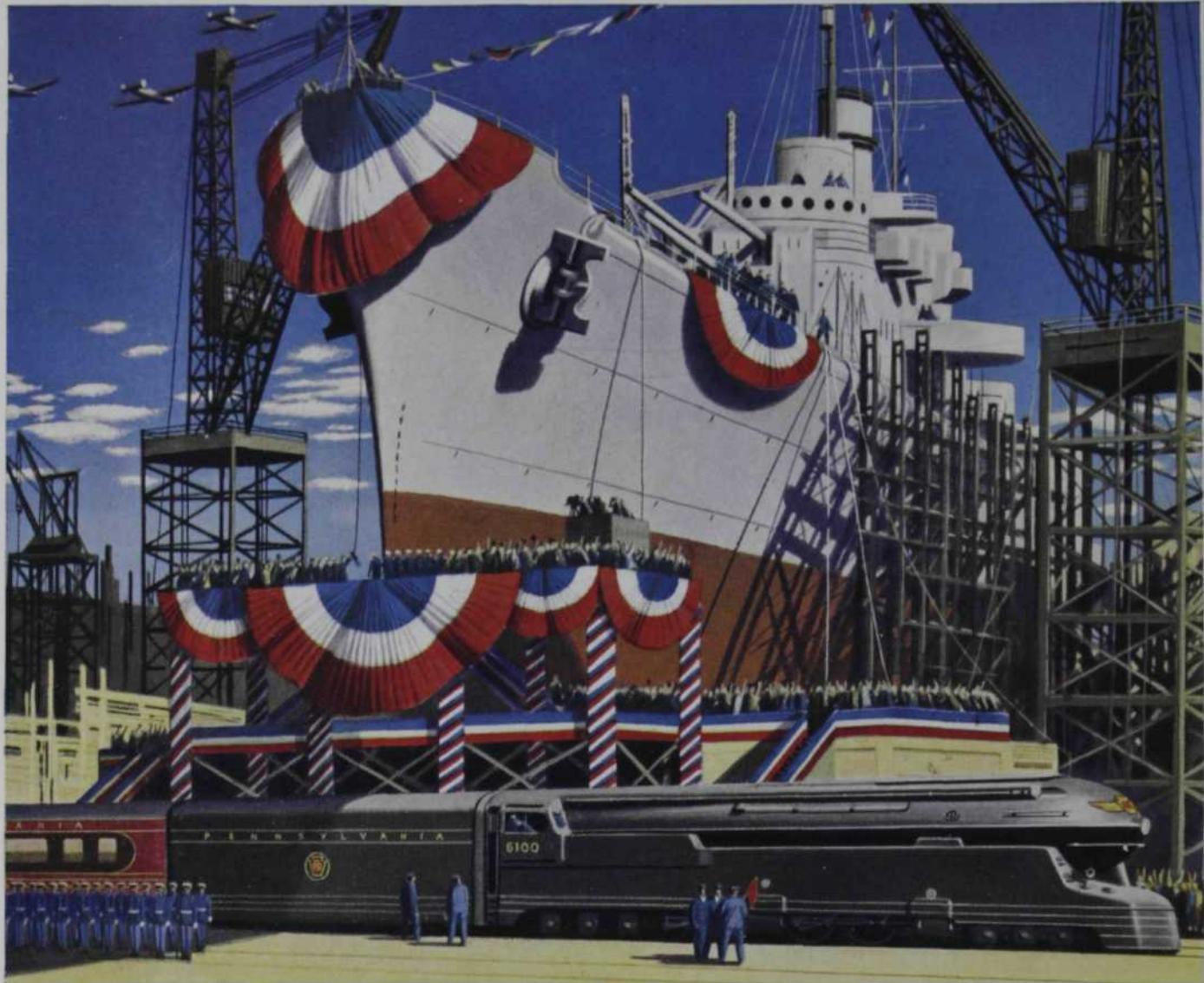
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1846	1835—New York City	1819
Mexican War	1845—New York City	1837
1861 Civil War	1851—San Francisco	
1866	1866—Portland, Me.	1843
1871	1871—Chicago	
1872	1872—Boston	1857
1877	1877—St. John, N.B.	
Spanish-American War	1889—Seattle; Spokane	1873
1890	1901—Jacksonville, Fla.	1893
1904	1904—Baltimore	
1906	1906—San Francisco	1907
1908	1908—Chelsea	
1914	1914—Salem	1921
World War 2		1929



# The Aetna Fire Group

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## HELPING THE NAVY LAUNCH VICTORY!

**Warships** must go by rail before they go to sea.

Keeping vital materials rolling so the navy can maintain its record shipbuilding pace is part of the railroads' wartime job. And that part will grow. As new shipyards rise and old ones expand, more and more railroad facilities and equipment will be engaged.

That goes for passenger equipment, too. Transportation is needed for skilled workers and

executives engaged in *all* war production; also for the movement of naval and military personnel.

To the extent wartime demands permit, Pennsylvania Railroad will do its utmost to provide fast, dependable transportation for civilians. But should you occasionally be inconvenienced, just remember that the fighting forces have first call on all the railroads have to offer. Winning the war is everybody's job today.



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